

**OUTLINE ON MAIN CHANGES IN
THE SOCIAL SECURITY LEGISLATION
IN MEMBER STATES**

**ANNUAL REPORT
ON RATIFIED PARTS OF THE
EUROPEAN CODE OF SOCIAL SECURITY
Art. 74**

**Submitted by
ITALY
to
THE COUNCIL OF EUROPE at STRASBOURG**

For the Period:

1st July 2014 – 30th June 2015

Italy has ratified parts V, VI, VII and VIII of the Code

PART I – GENERAL

A. ADMINISTRATION/ORGANISATION

a) Changes made during the reference period

INPS REORGANIZATION

In operating for more than one hundred year, INPS has become the main social security institute in Italy. Owing to several law initiatives, it has progressively widened its responsibilities and volumes of users, incorporating many other social security institutes, the most recent being INPDAP (National Social Security Institute for Public Administration Employees) and ENPALS (National Social Security Institute for workers in Sport and Entertainment industry).

At the same time, the Institute is also considered the largest European social security pole as it manages a unique welfare model covering almost the entire welfare and social security system.

Thanks to a country-wide network coverage (more than 2,100 structures in direct contact with users including branches, agencies, client points), INPS provides citizens not only with pensions but also with income support and other social assistance benefits.

Besides, the Institute has a prominent role in the national social-economic context both regarding the range of users (it provides services to more than two-thirds of the population residing in Italy, 80% of residents between the working age and the elderly, 98.4% of employed and 96.4% of pensioners) and the cash flow movement in 2014 (€ 881 billion) as well as the number of people accessing web-based services (130 million).

Redesigning the organizational architecture

The Institute's structure, with its large numbers and multiplicity of physical and virtual contact points with the user, is effectively a "service network". This implies the need for restructuring the organization according to the principles and criteria that help service usability by overcoming the limit of the production structure physical location and improving the multichannel access methods.

The existing service model is therefore being developed to source, from a user centrality viewpoint, an optimal model for the services offered, the institutional context and the needs of the user-clients.

Intervention on the central and territorial structures is guided by the following principles:

- Lower decision-making levels and of the number of reports made to the General Manager;
- Better management functionality and organization of the decision-making processes;
- Leading the central product structures towards the development of innovative processes and support at the legislative proposal phase;
- Focusing regional management on the INPS "core" activities, and on managing the process that spreads the service to the users;
- Aggregating the support functions with the production process in the dedicated central structures;
- Centring purchase tools even for revenue, for the whole of Italy, in coherence with the valorisation processes;
- Finalising the territorial structures to the local attendance and to service issue requirements, according to the requests of users and to the realisation of institute objectives;
 - Developing the method used to relate to citizens and companies in a pro-active and personalised view, in order to prevent performances with specific user profiles from broken down

- Giving more attention to the economic value generated by company results, in particular regarding the management of insurance and contribution flows;
- Developing integration between the administrative management phase of the contribution flows and the inspection surveillance activities;
- Continuous, systematic and structured monitoring of the objective achievement level, even in terms of cost, for optimal resource re-allocation;
- Adapting the measuring system of the obtained results;
- Protecting the control phases of formal and substantial correctness of the standards defined for the levels of service to the citizens and companies.

PERFORMANCE ANALYSIS OF PRODUCTION 2014

The Committee asked the Government to continue providing information on how ongoing reductions in the pool of available resources and staff in the context of the ever growing workload helps INPS to improve productivity, reduce the average time of backlog, increase quality of services and the overall level of customer satisfaction.

As requested by the Commission of Experts here are detailed information and statistic about INPS production. All the data, regarding quality and quantity of production confirm the right choice to reorganize INPS.

The production of the Institute consists of very heterogeneous management services, benefits and results, which are provided within activities which differ in their operating procedures, in their level of difficulty and in their ability to absorb resources. In order to evenly measure the overall production, it was necessary to identify a production equivalence unit, which would allow for the actual confrontation of the countless material and non-material outputs, produced by the different working processes. Such production equivalence unit is represented by the homogenized point corresponding to the volume of activity carried out in the time unit.

1 homogenized point = 60 minutes of equivalent activity

For each type of work it has measured the net time of execution of the activities necessary to generate the single.

According to general criteria and binding, a percentage increase (the so-called tare) has been added for each measurement so obtained, in order to record the time of the work that is not directly measurable in generating the activity of the single output, but necessary as prerequisite of the productive activity (reading circulars and messages, accessing internet, consulting colleagues and stakeholders etc.).

Each measurement thus obtained is then divided by the hour standard of 60 minutes, generating in this way the corresponding coefficient of homogenization that allows to express, for each output, the amount of production in homogenized points.

Number of products X coefficient of homogenization = homogenized points

example

Product A = No. 100 X coefficient . 0.5 = 50 points

Product B = No. 30 X coefficient . 1.5 = 45 points

Product C = No. 250 X coefficient. 0.3 = 75 points

Product D = No. 120 X coefficient. 0.25 = 30 points

Total Homogenized Production = 200 Points

The value of homogenized production so obtained is the starting point for any kind of performance analysis. Starting from a broad base of indicators of efficiency, effectiveness and cost-effectiveness, outputs, through different levels of integration, one single indicator is obtained, which represents the trend of the overall production System.

From the 1st January 2012, the single standard of productivity has been applied, equal to 124 homogenized points. The standard is calculated with the ratio of homogenized production to the resources present in the production areas, net of supervisory inspectors.

The value of 124 points of homogenized production results from the interaction of various factors:

- The average working days per month (22)
- The number of daily working hours (7)

- The national average of presence (81%), including overtime and training/education

Such parameter allows to estimate the potential production capacity for each local INPS Office. It is a key tool to assess the appropriateness of the use of human resources in relation to workloads. The significant outputs are multiplied by the respective coefficients of homogenization, obtaining the volume of homogenized production.

The data on production coming from the various management procedures converge in a procedure called VERIFICATION, on a monthly basis, thus feeding a statistic composed of the following elements:

- initial backlog
- main received (e.g. first instance)
- secondary received (e.g. second instance)
- defined accepted
- defined rejected
- cancelled due to transfer or duplication
- final backlog.

1. Production volume

The volume of gross production amounted in the period from January to December 2014 at 19,247,675 homogenized pieces, so divided in the different business areas.

GROSS PRODUCTION national data for business area	Final statement 2014
Front Office	11,873,232
contribution and pensions area for single insured	2,224,133
income-support allowances	5,209,261
contribution services area for companies	2,805,235
services related to social and health requirements	569,404
highly specialized services	291,099
PDAP* Pensions	308,432
PDAP leaving indemnity supplementary insurance	222,037
PDAP Credit and welfare	104,863
PALS** - Service	131,507
PALS - Social security	7,260
Back office - (excluding inspection and surveillance)	5,849,959
client personal data and flows	2,542,485
assessment and credit management	2,259,021
administrative test	327,741
PDAP contribution area	58,849
PDAP – single insurance	661,863
Other areas of production (excluding inspection)	1,524,485
inspection	191,639
benefits check	1,324,529
management administrative appeals	199,956
Total front office/back office***	19,247,675

(*) PDAP Ex-National Institute of Social Security for Public Administration Employees)

(**) PALS (Ex-National Institute of Social Security for Workers in the Entertainment Business and sport)

(***) excluding inspection

2. Trend of the “backlog” index in days

The index of backlog in days to 31st December 2014 is equal to 53 days for the front office and to 73 days for the back office. Both percentage values are slightly down compared to the final statement 2013.

TREND OF THE BACKLOG INDEX IN DAYS	Final statement 2013	Final statement 2014
Front office	61	53
contribution and pensions area for single insured	83	47
income-support allowances	16	16
contribution services area for companies	32	36
services related to social and health requirements	25	27
highly specialized services	185	187
PDAP Pensions	913	714
PDAP leaving indemnity supplementary insurance	53	152
PDAP Credit and welfare	30	40
PALS - Service	6	11
PALS - Social security	13	34
Back office	76	73
client personal data and flows	17	13
assessment and credit management	146	119
administrative test	84	135
PDAP contribution area	*	75
PDAP – single insurance	9	98
Other areas of production (excluded inspection)	513	161
benefits check	601	173
management administrative appeals	144	105
Total production areas (net inspection, and consultancy)	92	66

(*) no data available for PDAP in 2013 because it was not yet completed the integration procedure with the data from Ex-National Institute of Social Security for Public Administration Employees.

Examining the regional distribution we notice a performance improvement respect to the previous year. The national average improvement is 29%.

TOTAL PRODUCTION AREAS	Final statement January-December 2013	Final statement January-December 2014	Difference %
ABRUZZO	77	48	37.3
PUGLIA	122	78	36.6
CALABRIA	98	63	36.3
MOLISE	93	61	34.4
VENETO	86	57	34.4
CAMPANIA	133	88	33.7
FRIULI VENEZIA GIULIA	81	54	33.4
BASILICATA	94	63	33.2
TOSCANA	91	61	33.0
SICILIA	124	83	32.9
MARCHE	82	56	30.8
PIEMONTE	71	52	27.2
EMILIA ROMAGNA	65	48	25.9
LIGURIA	78	58	25.4
SARDEGNA	112	86	23.2
LOMBARDIA	64	51	21.0
VALLE D'AOSTA	53	43	20.0
UMBRIA	66	56	15.4
LAZIO	117	99	14.8
TRENTINO ALTO ADIGE	99	88	10.9
NATIONAL	92	66	29.0

3. Productivity

The productivity index, on 31st December 2014 is equal to 126,6 homogenized points, on a national level, in line with the target value assigned for the reference period.

Final statement January - December 2014 Production area	Productivity index
VENETO	139.2
EMILIA ROMAGNA	138.3
SARDEGNA	137.6
BASILICATA	134.7
LOMBARDIA	133.3
MARCHE	132.9
TOSCANA	131.0
PIEMONTE	129.4
TRENTINO ALTO ADIGE	127.9
FRIULI VENEZIA GIULIA	126.9
LIGURIA	126.6
PUGLIA	124.9
LAZIO	124.0
MOLISE	122.4
ABRUZZO	119.9
SICILIA	119.1
CAMPANIA	118.4
VALLE D'AOSTA	115.7
CALABRIA	112.6
UMBRIA	109.5
NATIONAL	126.6

4. Quality of service

The quantitative measurement of homogenized production is cross-checked with other qualitative data. In fact, only the parameter of equivalent production would not report enough indications, for example, on the level of adherence to the protocols and standards set, both concerning aspects of compliance and from the point of view of the adjustment of the service compared to the user's expectations.

Therefore, not only is production homogenized, but starting from a broad base of indicators adjusted to individual cases, through different levels of intermediate aggregation, one single indicator is obtained, representing the trend of the entire production facility.

The tool providing the results of the various indicators is known as directional dashboard (*Cruscotto Direzionale*), thanks to which every single production agency is constantly monitored with the aim of achieving efficiency, effectiveness and cost-effectiveness. Thanks to this tool, it is possible to identify:

- a) The trend of qualitative performance reached compared to the goals assigned;
- b) The trend of performance compared to the previous year;
- c) The trend of performance compared to the other offices, regions and national average.

It is possible to identify abnormalities and correct any deviations compared to the budget goals, improve organizational models and rationalize resources.

The synthetic index of quality related to the areas of production confirms the trend to a general improvement in the quality of service from the previous year. The national deviation average index is equal to 2.85%.

December 2014	Synthetic index of quality production areas	Percentage deviation (%) versus previous year
SICILIA	93.50	3.62
VALLE D'AOSTA	94.81	1.33
LAZIO	95.80	2.90
BASILICATA	99.18	-0.55
CAMPANIA	100.00	6.75
PUGLIA	102.52	3.72
SARDEGNA	102.62	5.65
MOLISE	102.87	5.46
LIGURIA	104.01	1.35
ABRUZZO	104.80	6.18
UMBRIA	105.06	2.89
PIEMONTE	105.31	4.25
CALABRIA	105.56	6.48
TRENTINO ALTO ADIGE	106.32	6.79
FRIULI VENEZIA GIULIA	106.49	5.93
VENETO	107.04	6.10
TOSCANA	107.51	6.31
MARCHE	107.77	5.72
LOMBARDIA	108.80	7.47
EMILIA ROMAGNA	110.67	7.81
NATIONAL	100.00	2.85

Source: INPS Directional dashboard v. 01 of 02.04.2015

5. Use of human resources

The following table shows, the consistency in terms of FTE (Full Time Equivalent) and the presence of personnel of internal level ABC with relative distribution between areas on 31st December 2014. The distribution of human resources is equal all'81,69 in production areas in FTE, broadly in line with the target set by INPS Circular 163/2013 (80%).

Internal workers + posted	FTE		Effective work presence*	
	Dec. 2014	Distribution. %	Dec. 2014	Distribution. %
Front office	12,136.52	48.95	9,077.33	47.66
Back office	5,401.77	21.79	3,942.00	20.70
Other areas	2,714.39	10.95	2,101.79	11.04
Total processing production	20,252.68	81.69	15,121.12	79.39
Professionals functions	1,537.01	6.20	1,334.02	7.00
Direction and staff functions	3,003.69	12.11	2,591.10	13.60
TOTAL	24,793.38	100.00	19,046.24	100.00

(*) Net from absence due to sickness, maternity, study, or unpaid leave etc. excluding holidays.

6. Cost-effectiveness

The cost effectiveness represents the synthesis between the result, measured in terms of efficiency and effectiveness, and management costs.

The finding of the indicator of cost-effectiveness are an essential element for assessing the consistency of economic management compared to the results achieved.

Cost-effectiveness indicators on December 2014 show a substantial alignment with budget targets.

Cost –effectiveness indicators (discretionary costs)	Budget 2014	Final statement Dec. 2014
VALLE D'AOSTA	1.02	0.96
SICILIA	1.08	1.02
UMBRIA	1.15	1.05
LAZIO	1.17	1.05
LOMBARDIA	1.05	1.06
TRENTINO ALTO ADIGE	1.05	1.07
BASILICATA	1.17	1.09
LIGURIA	1.09	1.10
ABRUZZO	1.11	1.10
SARDEGNA	1.10	1.10
PUGLIA	1.17	1.11
MARCHE	1.06	1.15
PIEMONTE	1.16	1.16
TOSCANA	1.15	1.16
FRIULI VENEZIA GIULIA	1.15	1.17
VENETO	1.21	1.20
EMILIA ROMAGNA	1.08	1.21
MOLISE	1.25	1.21
CALABRIA	1.22	1.23
CAMPANIA	1.61	1.33
NATIONAL	1.18	1.12

7. Administrative appeals

Concerning the request of the Committee to explain the reasons for the increase in the period of one year (2011–12) of the received management administrative appeals by 338.3% it should be noted that the "*management administrative appeals*" refers to all the activities carried out in the period, i.e. support activities to litigation and activities strictly related to administrative litigation.

The increase of 338.3% recorded in 2012 compared to 2011 is mainly due to three factors:

1) The first can be deduced from the data already produced. The strong increase in "*income-support allowances*" (+ 111% compared to 2011), is related to the increase of the economic crisis, and can be explained with a general escalation in the activity volumes (layoffs allowances, unemployment benefits, etc.). Insured persons who were not entitled to such benefits, have appealed, hoping to receive economic support. This kind of claims heavily influenced the number of appeals.

2) the second factor is due to the pension reform introduced by Law 122/2010. Retirement age has been increased significantly, reducing the number of new pensioner, (-32.0% compared to 2011). Besides there have been doubts interpretation related to the radical change in the applicable regulations, and therefore an increase on administrative litigation

3) A further element is the computerization of all claims started on January 1st, 2011. After a transition period, as foreseen by various presidential determinations (n. 75/2010, no. 127/2011 and no. 277/2011), all service claims to INPS, including administrative appeals, must be submitted electronically. The completion in 2012 of the electronic management system of the claim has permitted to detect timely all the appeals, even those previously loaded with considerable delay from the local offices.

The dematerialization, however, has enabled the process to be more efficient, freeing up resources previously employed in the acquisition of appeals, and then making them available for activities with higher added value, always within the administration appeals management.

COMPUTERISATION

In recent years, the Institute has enhanced the offer of on-line services, defining a process of progressive exclusivity of the use of electronic channel for submission of benefits application.

The decision to relate the technological innovation to the development of services to citizens and businesses aimed to ensure administrative efficiency and quality of performances. Alongside the traditional direct access at the local offices of the Institute, Users were offered new opportunities to access to services, reducing processing times and production costs.

This service model qualifies, in particular, for the orientation to the centrality of users - citizens and companies - in terms of accessibility and proactive management of service needs, with the support of a system of effective and transparent communication, that is able to optimize and enhance the multi-channel mode.

The main access points to the Institute services are:

- Institutional web portal
- Mobile Site
- Multichannel Contact Center (MCC)
- PEC - Certified e-mail

Besides users can receive support from institutional intermediaries authorized to access (Unions, CAF, labor consultants, trade associations etc.).

Use of the institutional web-site

All services and social security and welfare benefits of INPS are fully and directly accessible on the institution's web site (www.inps.it) which currently it represents the key channel of communication with users.

The following table provides some data on access to the internet portal in 2014 that fully indicate the extent of the use of this tool.

*ACCESS TO THE INSTITUTIONAL INPS WEB SITE
COMPARISON 2013 - 2014*

Service	2013	2014	Variation % 2014/2013
Number of access in the year	429,887,164	550,081,902	28.0
Average number of daily access	1,177,773	1,507,074	28.9
Peak number of daily access	2,669,474	2,882,659	8.0
Number of yearly access	4,582,258,225	5,487,128,206	19.7
Average no, of daily access	12,554,132	15,033,228	19.7
Peak of web pages visited in the per day	28,335,884	29,893,205	5.5
Total number of PINs released by 31 st December	14,458,516	16,049,896	11.0
Number of e-mails received	16,945,664	24,391,663	43.9
Total number of web pages on the site	36,410	42,634	17.2
Number of downloadable online forms	544	816	50.0
Number of online forms that can be filled	537	757	41.0

In order to access to online services it is necessary to identify oneself with the Personal Identification Number (PIN) which is sent free of charge to users on demand.

The following table shows some significant data of the management of private sector employees in terms of the dimensions of the main services provided online in 2014 (with comparable data for 2013), broken down by type of user.

*NUMBER OF SERVICES PROVIDED ONLINE BY TYPE OF USER
private sector 2013 – 2014*

Service	2013	2014	Variation % 2014/2013
Single Citizen	26,626,225	30,835,037	15.8
Enterprise	21,127,018	24,768,325	17.2
<i>Patronati</i> (Institutions for advice and social assistance)	45,743,445	54,046,261	18.2
Tax Assistance Centres (CAF)	3,995,498	3,588,637	-10.2
Public & social security organisations	5,559,010	14,114,329	153.9
Local health authorities (ASL)	667,318	679,982	1.9
Professional associations	100,816	110,176	9.3

On-line payments

On the web site payment section ("*Portale dei Pagamenti*") you can pay online bills, print Payment by Notice (MAV) bulletins, obtain vouchers or online vouchers, view payments already made.

Besides it is possible to pay using payment channels such as tabacconists circuit members "*Reti Amiche*" (Friends Network), the home banking service offered by Unicredit Bank; the Retail Banking Group Unicredit that signed the Agreement; payment service through direct debit of bank account (RID, Direct Debits).

FLOW OF ON-LINE PAYMENTS 2013 – 2014

SERVICE	2013		2014		Variation % 2014/2013	
	Number	Amount	Number	Amount €	No	Amount €

Payment by Notice (MAV)

Contributions for domestic workers	3,410,104	972,001,947	3,283,192	926,097,982	-3.7	-4.7
Contribution transfer, retroactive payment of contribution, and Annuities	208,276	116,027,999	239,996	116,841,244	15.2	0.7
Voluntary payments	118,326	180,134,914	121,928	192,358,011	3.0	6.8
Mortgage loans ex-Inpdap	77,702	307,954,538	83,884	331,826,250	8.0	7.8
Recovery of undue amounts	53,877	22,241,627	419,542	106,103,301	678.7	377.0
Clergy Fund	2,476	575,964	2,462	677,677	-0.6	17.7
Cooperative Mortgages Ex-Inpdap buildings	9,097	7,588,759	8,929	8,490,264	-1.8	11.9
Local Administrators	22	26,689	5	26,858	-77.3	0.6

SERVICE	2013		2014		Variation % 2014/2013	
	Number	Amount	Number	Amount €	No	Amount €

Payment by means of Virtual POS Intesa San Paolo

Contributions for domestic workers	118,831	22,565,732	116,321	21,940,821	-2.1	-2.8
Contribution transfer, retroactive payment of contribution, and Annuities	9,374	1,703,458	13,347	2,433,760	42.4	42.9
Voluntary Payments	240	226,211	265	336,948	10.4	49.0
Social Activity Management of Public Servants	7,171	3,557,173	4,017	1,940,677	-44.0	-45.4

Payments online in collaboration with the Portal of Payments of the Italian Post

On-line purchase of voucher	3,516	1,426,480	7,363	3,136,480	109.4	119.9
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Payments online by means of Lottomatica "Reti Amiche" (Friends Network)

Contributions for domestic workers	127,198	28,143,027	98,499	20,849,521	-22.6	-25.9
Contribution transfer, retroactive payment of contribution, and Annuities	2,424	485,749	2,591	502,579	6.9	3.5

Payments online by means Unicredit Bank "Reti Amiche" (Friends Network)

Contributions for domestic workers	85,268	20,936,735	83,977	20,594,153	-1.5	-1.6
Contribution transfer, retroactive payment of contribution, and Annuities	9,336	2,810,285	11,116	3,140,152	19.1	11.7

Payments online by means Italian Post "Reti Amiche" (Friends Network)

Contributions for domestic workers	5,949	1,341,944	3,227	712,961	-45.8	-46.9
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Services provided on mobile devices

The applications of “*INPS Servizi Mobile*” (INPS Mobile Services) permit interaction with some online services that are available on the website www.inps.it using mobile devices (mobile phones, smartphones and tablets).

SERVICES PROVIDED ON MOBILE DEVICES, MOBILE PHONES, SMARTPHONES, TABLETS

Service	2013	2014	Variation % 2014/2013
Access to mobile services	1,083,387	2,204,167	103.5
Access to “ <i>InpsFacile</i> ” section	536,733	954,422	77.8
Number of app. downloads by Iphone	464,047	638,348	37.6
Number of app. downloads by Ipad	10,593	33,848	219.5

Multi-channel Contact Centre (MCC)

The Contact Center INPS-INAIL offers a communication structure that ensures accessibility and promptness of information and services.

If it is necessary to receive a consultancy with experienced officials competent for the subject, the operator will book an appointment at the pertinent local office.

It is also available *InpsRisponde* service, an additional channel to forward requests for clarification on regulatory / procedural or information on individual cases. Users must fill an online form accessible on the website. *InpsRisponde* is managed, at the first level, by the operators of the Contact Center INPS-INAIL and INPS and from the INPS local offices in the case of particularly complex questions.

MULTI-CHANNEL CONTACT CENTRE (MCC)

Type of service	2013	2014	Variation % 2014/2013
Contacts managed by the operator	23 mln	22 mln	-4.3
Number of operators	2,286	2,280	-0.3
"InpsRisponde" Query	581,955	523,942	-10.0
Query forwarded from MCC to the local INPS back office	927,108	760,015	-18.0
Number of payments through MCC	2,346	1,584	-32.5
payments through MCC value in Euro	504,923	344,508	-31.8
Web and SKYPE calls	471,963	338,085	-28.4

MAIN SERVICES PROVIDED THROUGH AUTOMATIC ANSWERING IN 2014

Type of service	Number
CUD certificate	697,150
Payments resume	107,671
Retrieved contribution	61,018
Consultancy on "Sportello amico"*	4,320
Pension rate details	37,415
Voucher	52,278
Information regarding an application filed ** CCM	28,170
Information about payment progress ***	2,512
Delivery of forms for payment by notice MAV for domestic worker ****	3,456
Total	993,990

(*) It is possible to fix an appointment through the Contact Center in order to receive a personalised consultancy by a local INPS office.

(**) Service available from July 2014

(***) Service available from November 2014

(****) Service available from July 2014

Certified electronic mail (PEC)

The certified electronic mail (PEC) is a communication system that adds to the standard e-mail, more security features and certification both for completion or failure in sending the message than for its delivery confirmation or error delivery. Following table shows the number of PEC received and sent in the years 2013 and 2014. The increase of 50% compared to 2013 in the number of incoming PEC in 2014 emphasizes the widespread need of the citizens of interaction modes that guarantee promptness and certainty of the answer, in a context characterized by the persistent official formal communication between the Institute and users.

CERTIFIED ELECTRONIC MAIL (PEC)

Number of PEC	2013	2014	Variation % 2014/2013
Outgoing e-mail	1,155,558	1,732,118	49.9
Ingoing e-mail	457,008	1,025,418	124.4

Measures to contrast financing of terrorism: new black list procedure

To prevent, counteract and restrain the financing of terrorism and the activities of Countries that threaten international peace and security, Italian legislative decree No. 109 dated 22nd June 2007 provides the freezing of funds and economic resources of any amount in respect of subjects placed on a specific international "black list".

In compliance with what is established by the above decree, INPS has created a Black List procedure which should be consulted before making any type of payment, in synergy with the international Black list, which can be consulted on the website at http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm.

(b) Changes decided, planned or proposed for the following year
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"MY PENSION" PROJECT

INPS has started a new project called "*My pension*" aimed to gradually make available to its insured (around 23 million people covered by the social security) a service that simulates and calculates the future pensions on the basis of the contribution currently present on the data base and on a projection of the contributions that are still necessary in order to satisfy the insurance requirements. Institute intends to inaugurate a new way of managing its relationship with citizens, working towards proactivity and transparency. Access to service is via a PIN.

"*My pension*" is a projective simulation, an unprecedented service for the Institute, which does not require the issue of a certificate, or a formal act, but is an incitement to become aware of the scenarios offered by the compulsory pension scheme, helping the user to orientate his choices.

The simulation of the pension calculation takes into account the current legislation and is based on three fundamental elements: the age, the working history and the salary/income of the insured. It will be possible to:

- Check the current contribution position, by calculating the weeks divided by shares;
- Envisage the date of retirement (old age pension or early retirement);
- Calculate the estimated amount of the pension in real terms;
- detect replacement rate compared to the last salary.

The user may simulate several calculation way by changing:

- The wage of the current year and the yearly variation in percentage
- The retirement date in order to estimate the economic effect of postponement
- Any combination of the two variables mentioned above.

The simulation, even if initially is referred only to the contributions of a single pension management, may be the starting point for a wider form of information, obtained by an appointment at the nearest INPS Agency, which takes into account

other variables or possible options, such as for example aggregation of contribution paid to different pension managements, or the totalisation of periods of work abroad, or of deemed or redeemable periods, or eligibility to pay voluntary contributions.

The aims of the "*My pension*" project, therefore, are those of carrying out real transparency towards the insured, making them aware of the amount of contributions paid and of the related pension benefit.

The first phase of the initiative involved the insured already having the authentication credentials to access to the online services of the Institute, starting with the younger class of insured. This is the plan, divided by age groups:

≤ 40 years in May 2015

between 41 and 50 years in June 2015

> 50 years in July 2015

c) Research (including evaluation), completed or initiated

Nothing to report

B. BENEFITS

a) Changes made during the reference period

PENSION ADJUSTMENT

Benefit adjustment

Benefits are adjusted annually according to the average change in the cost of living index calculated by ISTAT; for 2015 such revaluation is following:

up to 3 time Minimum Income Supplement (MIS)	0.3 %	up to € 1,502.64
minimum amount granted*		over € 1,502.64 and up to € 1,502.15 it is granted € 1,507.15
over 3 up to 4 times MIS	0.285 %	over € 1,502.64 up to € 2,003.52
minimum amount granted*		over € 2,003.52 up to € 2,004.72 it is granted € 2,009.23
over 4 up to 5 times MIS	0.225 %	over € 2,003.52 up to € 2,504.40
minimum amount granted*		over € 2,504.40 up to € 2,506.27 it is granted € 2,510.03
Over 5 up to 6 times MIS	0.15 %	over € 2,504.40 up to € 3,005.28
minimum amount granted*		over € 3,005.28 up to € 3,005.73 it is granted € 3,009.79
over 6 times MIS	0.135	no ceiling

(*) minimum amount granted is applied if, after the adjustment calculation, the result is less than the limit amount of the previous adjustment.

The monthly benefits' rates have been increased as follows:

Type of benefit	2015 Euro	2014 Euro
Minimum Income Supplement	501.89	500.88
Additional Income Supplement (*)	136.44	136.44
Income Supplement + Additional IS	638.83	637.32
Social Pensions	369.63	368.52
Social Allowances	448.52	447.17

(*)The additional income supplement is granted upon condition that the beneficiary's income falls below the following income ceilings for 2015 compared with 2014:

Pension adjustment for year 2012 and 2013

The Constitutional Court, with Judgement No. 70 of 2015, declared illegitimate the paragraph 25 of art. 24 of the Decree law No. 201 of 6th December 2011 (*Fornero Law*), and more specifically in the part where it states that for years 2012 and 2013, a pension revaluation of 100% exclusively for pensions amounts up to three times the minimum income supplement (just under € 1,500 per month).

In order to give effect to the mentioned Judgement issued by the Constitutional Court, the Decree law No. 65 of 2015 amended the rules declared to be illegitimate, and has provided a new mechanism for pensions adjustment for pension with an amount over 3 times more the minimum.

The arrears amounts arising from this new mechanism must be paid to pensioners with the payment of pension rate in August.

PART II MEDICAL CARE


PART III SICKNESS BENEFIT See art. 76

PART IV UNEMPLOYMENT BENEFIT See art. 76

PART V OLD AGE BENEFITS

a) Changes made during the reference period

Law References

- Law No.111 of 15th July 2011
- Law No.148 of 14th September 2011
- Law No.214 of 22nd December 2011
- Law No.92 of 28th June 2012
- Law No.98 of 20th August 2013
- Law No.124 of 28th October 2013
- Law No.125 of 30th October 2013
- Law No.228 of 24th December 2013
- Law No.147 of 27th December 2013
- Law No.147 of 10th October 2014
- Law No.190 of 23rd December 2014 (Financial Stability Law)
- Constitutional Court Sentence No. 70/2015 (appeal of art. 24, par. 25 of Decree law No. 201 of 6th December 2011, converted with amendments into art. 1, par. 1 of law No 214 of 22nd December 2011) 
- Decree law No. 65 of 21st May 2015 converted into Law No. 109 of 17th July 2015

Social service cost

The expenditure for institute services for the year 2014 amounted to 303.4 billion Euro, of which 268.8 billion for pensions, and 34.6 billion for temporary economic benefits (source: pre-final balance data 2014). Each month INPS pays almost 21 million pensions for around 15.6 million to beneficiaries, of which more than 7.2 million (46.4%) are men and 8.4 million (53.6%) women.

The Institute issues both pensions form social security (invalidity, old age, survivors' pension –IVS) and assistance benefits.

Social security pensions are 17.2 million (equal to 82.2% of all the benefits paid). They are grounded on compulsory insurance and are financed mainly by the contributions paid by workers and employees.

Assistance benefits (for example social allowance and civil disability benefits) are more than 3.7 million, equal to 17.8% of the total benefits, and are not based on insurance but are on charge of the State.

72.5% of pensioners receive one single pension for an average monthly gross value of € 1,240 (resulting from an average of € 916 for women and € 1,536 for men). The remaining 27.5% received two or more pensions, reaching on average € 1,541 gross per month (€ 1,443 for women and € 1,759 for men).

Among those who benefit from a single pension, 52.3% are men, while the beneficiaries of two or more pensions are mostly women (69.1%).

Distribution of pension amount shows that 42.5% of the subjects (equal to more than 6.6 million) absorb around 18.9% of the total annual expenditure, for a total over 50 billion Euro, receiving one or more lower pensions of € 700 gross per month on average. Among these 12.1%, which is equal to 1.9 million, is below € 300.

Around 3.6 million pensioners, equal to about 23.5% of the total, receive a pension between € 1,000 and € 1,500 and absorb around 22% of the annual pension expenditure (59 billion Euro), while an additional 17.2% of beneficiaries (around 2.7 million pensioners) receive pension amounts between € 1,500 and € 2,000 monthly, which is equal to 22.2% of the total expenditure.

About 12.2% (equal to 1.9 million) beneficiaries receive pensions from € 2,000 to € 3,000 gross, absorbing 21.7% of the total gross expenditure, for a total of over 58 billion Euro.

Finally, 724,250 subjects, equal to 4.6% of the total of INPS pensioners, receive a pension of more than € 3,000 per month, for a monthly average of € 4,336 gross. These benefits have a yearly expenditure of 41 billion Euro, and absorb 15.2% of the total expenditure.

An analysis from a gender perspective shows the concentration of women in lower classes of amount and a progressive reduction of women as the pension amount grows (over pension of € 3,000 only a pensioner in four women). The ratio between insured workers and pensions, as at 31st December 2014, is on average of 129.7 subscribers per 100 pensions in payment, an increase compared to the figure of 2013 (128).

Harmonisation of payment dates for pensions paid by the institute

In order to rationalise and harmonise procedures and payment dates all benefits paid by INPS (pensions, allowances, benefits and disability allowances paid to the civilian disabled), as well as annuities paid by INAIL (National Institute for Insurance against Accidents at Work) will be paid on the first day of each month as of 1st June 2015.

The "Safeguard measures"

- Law No. 214, art. 24 of 22nd December 2011
- Law No. 147 of 10th October 2014
- Law No 190 of 23rd December (Financial Stability Law 2015)

The so-called "Safeguard measures" grant to particular group of workers to retire with more favourable age and insurance requirements than those established by Law No. 214/2011. Such workers have been expelled from the labour market before the pension reform that changed requirements for early retirement or old age pension. Such workers will access to the pension with the same requirements foreseen before the entry into force of Law no. 214/2011.

Sixth safeguard

After those provided during 2013, Law No. 147 of 10th October 2014 establishes new safeguard measures, extending to 32,100 units the number of potential recipients of that benefit.

- 5,500 workers

Outplaced workers according to governmental or non-governmental agreements stipulated within 31st December 2011, who have ceased work by 30th September 2012 and become eligible within the period in which they have received mobility allowance or paid voluntary contributions within twelve months from the end of the same period, according to the rules in force before Law no. 214/2011.

- 12,000 workers

- 1 – Workers authorized to voluntary contribution prior to 4th December 2011 who have credited at least one useful contribution by 6th December 2011;
- 2 – Outplaced workers who received the ordinary mobility allowance as of 4th December 2011 and authorized to voluntary contribution after the said date who, within six months from the end of the period in which they received mobility allowance, qualify for pension due to voluntary contributions, according to the requirements in force before the reform;
- 3 – Workers authorized to voluntary contribution prior to 4th December 2011, on condition that they have at least one credited contribution from working activity in the period from 1st January 2007 to 30th November 2013 and on 30th November 2013 didn't work as employee in a long-term employment relationship.

- 8,800 workers

- 1 – Workers whose employment relationship was terminated by 30th June 2012 as a result of individual agreements or in application of collective agreements to incentivize voluntary resignations stipulated by the comparatively most representative organizations at the national level by 31st December 2011;
- 2 – Workers whose employment relationship was terminated after 30th June 2012 and by 31st December 2012 as a result of individual agreements or in application of collective agreements to incentivize voluntary redundancies stipulated by the comparatively most representative organizations at the national level by 31st December 2011;
- 3 – Workers whose employment relationship was unilaterally terminated in the period between 1st January 2007 and 31st December 2011.

- 1,800 workers

Workers who, during 2011, were on extraordinary leave to care for disabled persons.

- 4,000 workers

Workers with temporary employment contracts whose employment ceased between 1st January 2007 and 31st December 2011 and who didn't work as employee in a new

long-term employment relationship and qualify for the pension, who by 4th December 2015, according to the requirements in force before the reform.

Starting date of the pensions payment

(Art. 24, paragraph 5, of the Law 214/2011)

To persons that, with effect from 1st January 2012, satisfy requirements to access to old-age pension and to seniority pension, the rules governing the starting date of the pension according to art. 12 of Decree law No. 78/2010, converted with amendments by Law No. 122/ 2010 (the so-called *finestre mobili*) do not apply.

Therefore, pursuant to art. 6 of Law No. 155/1981, old age pension effective date is the first day of the month following the date in which the insured person has reached the retirement age, or, if at such date the insurance and contribution requirements are not satisfied, from the first day of the month following the date in which the above requirements are satisfied; on demand of the interested person from the first day of the month following the date in which the application was submitted.

According to art. 22, paragraph 5, of Law No. 153/1969, the seniority pension commences on the first day of the month following the date in which the application was submitted.

Introducing of the contributory system with reference to contribution accrued starting from 1st January 2012

(Art. 24, paragraph 2, of Law 214/2011)

Pursuant to art. 24, paragraph 2, of Law 214/2011, contributions periods accrued as from 1st January 2012 will be calculated according to the notional defined contribution system.

Pension for workers that on 31st December 1995 have accrued at least 18 years of contribution, is calculated according to the mixed system and therefore the amount is determined by the sum of:

- a) the share of pension originating from pension contributions accrued on 31st December 2011, is calculated according to the earning related system (Pay-as-you-go);
- b) the share of pension originating from pension contributions accrued as from 1st January 2012, is calculated according to the notional defined contribution system.

There is no change as regards to *persons who have accrued contributions periods lower than 18 years* on 31st December 1995. For them, was already in force the mixed calculation system before the changing stated by the Law No. 214/2011.

OLD-AGE PENSIONS (Pensione di vecchiaia)

1. Age requirement

According to art. 12, paragraphs 12 bis and 12-quater, of the Law No 122 of 30th July 2010, the Decree of 16th December 2014 of the Ministry of Finance states that with effect from 1st January 2016 age requirements to qualify for old age and early retirement will be increased of 4 months according to the life expectancy

a) **Women, employed** enrolled in the General Mandatory Insurance (AGO) and/or in its substitute funds, gradual increase in the retirement age as shown below:

from 1 st January 2014 to 31 st December 2015	63 years and 9 months
from 1 st January 2016 to 31 st December 2017	65 years and 7 months
from 1 st January 2018 to 31 st December 2020	66 years and 7 months*
from 1 st January 2019 to 31 st December 2019	66 years and 7 months*

b) **Women, self-employed and/or enrolled in the special funds**, gradual increase in the retirement age as shown below:

from 1 st January 2014 to 31 st December 2015	64 years and 9 months
from 1 st January 2016 to 31 st December 2017	66 years and 1 months
from 1 st January 2018 to 31 st December 2018	66 years and 7 months*
from 1 st January 2019 to 31 st December 2019	66 years and 7 months*

c) **Men, employed and self-employed** enrolled in the General Mandatory Insurance (AGO) and/or in the substitute funds, gradual increase in the retirement age as shown below:

from 1 st January 2013 to 31 st December 2015	66 years and 3 months
from 1 st January 2016 to 31 st December 2017	66 years and 7 months*
from 1 st January 2018 to 31 st December 2018	66 years and 7 months*
from 1 st January 2019 to 31 st December 2019	66 years and 7 months*

(*) Requirement to adjust to the life expectancy as stated by the article 12 of the Decree of 31st May 2010, n. 78.

Increase of age retirement and life expectancy for people over 65

The Committee recalled that, according to the Code, a pension age higher than 65 years may be fixed only if the number of residents having attained that age is not less than 10 % of the number of residents under that age but over 15 years of age. It also recalled that ILO Convention No. 102 permits increasing the retirement age beyond 65 years only with due regard to the working ability of elderly persons in the country concerned;

In this regard please note that the Italian Government had taken into account the above-mentioned requirements of the Code when deciding to increase of the age of retirement. As reported in the table, the percentage between resident over 65 years and residents aged 15 +64 is, at least, three times higher than the minimum of 10% established by the European Code of Social Security.

Resident working population (age group 15-65), population aged 65 and over, percentage ratio between the first and second population group

AGE GROUP	<i>Resident population at the date of</i>		
	January 2012	January 2013	January 2014
Age between 15-64	38.698.168	38.697.060	39.319.593
Age 65 and over	12.370.822	12.639.829	13.014.942
Ratio + 65/15-64	32,0%	32,7%	33,1%

Source: website "demo.istat.it"

The Committee of Experts required information about the health of population aged over 65.

The following two tables shows the increase in life expectancy divided by gender and age, at for the people between 65 and 74 years of age. These data are collected yearly from National Statistical Institute (ISTAT) and refers to the period 1974-2013.

TIME SERIES OF THE LIFE EXPECTANCY FOR MALE AGED BETWEEN 65 AND 74 OBSERVED IN 1974-2013

Male	Life expectancy (in years)														Ratio
Age	1974	1977	1980	1983	1986	1989	1992	1995	1998	2001	2004	2007	2010	2013	2013/1974 %
65	13.475	13.371	13.422	13.573	14.274	14.984	15.392	15.709	15.933	16.870	17.441	17.865	18.297	18.556	37.7
66	12.847	12.733	12.810	12.943	13.607	14.324	14.719	15.016	15.221	16.125	16.677	17.099	17.517	17.765	38.3
67	12.232	12.112	12.193	12.349	12.953	13.678	14.065	14.341	14.526	15.396	15.924	16.341	16.749	16.984	38.8
68	11.635	11.510	11.587	11.776	12.316	13.037	13.423	13.682	13.846	14.684	15.191	15.592	15.998	16.216	39.4
69	11.046	10.932	10.996	11.208	11.722	12.396	12.797	13.043	13.186	13.990	14.477	14.848	15.257	15.466	40.0
70	10.480	10.373	10.423	10.630	11.164	11.765	12.184	12.420	12.545	13.314	13.781	14.115	14.525	14.729	40.5
71	9.931	9.833	9.865	10.061	10.621	11.157	11.575	11.811	11.926	12.652	13.098	13.400	13.805	14.015	41.1
72	9.402	9.304	9.328	9.509	10.086	10.599	10.963	11.219	11.329	12.009	12.435	12.707	13.092	13.311	41.6
73	8.878	8.801	8.811	8.982	9.549	10.083	10.365	10.644	10.747	11.380	11.790	12.033	12.394	12.617	42.1
74	8.370	8.309	8.319	8.472	9.021	9.585	9.796	10.074	10.174	10.771	11.164	11.376	11.713	11.932	42.6

Source: website "demo.istat.it"

TIME SERIES OF THE LIFE EXPECTANCY FOR FEMALE AGED BETWEEN 65 AND 74 OBSERVED IN 1974-2013

Female	<i>Life expectancy (in years)</i>														Ratio 2013/1974 %
Age	1974	1977	1980	1983	1986	1989	1992	1995	1998	2001	2004	2007	2010	2013	
65	16.624	16.819	17.041	17.159	17.907	18.716	19.175	19.593	19.820	20.720	21.426	21.562	21.874	22.014	32.4
66	15.844	16.030	16.263	16.366	17.093	17.906	18.351	18.761	18.983	19.868	20.564	20.703	21.006	21.149	33.5
67	15.076	15.256	15.486	15.596	16.290	17.108	17.538	17.941	18.154	19.028	19.709	19.851	20.144	20.288	34.6
68	14.324	14.497	14.719	14.838	15.501	16.315	16.736	17.133	17.334	18.199	18.865	19.004	19.293	19.429	35.6
69	13.581	13.754	13.965	14.087	14.742	15.525	15.947	16.335	16.527	17.380	18.034	18.160	18.448	18.581	36.8
70	12.856	13.028	13.233	13.339	14.009	14.746	15.175	15.549	15.731	16.569	17.214	17.324	17.611	17.740	38.0
71	12.146	12.322	12.518	12.602	13.290	13.989	14.411	14.773	14.950	15.766	16.405	16.500	16.781	16.917	39.3
72	11.458	11.629	11.826	11.883	12.581	13.268	13.651	14.017	14.183	14.977	15.608	15.687	15.957	16.103	40.5
73	10.785	10.960	11.155	11.186	11.880	12.578	12.901	13.278	13.432	14.202	14.822	14.888	15.143	15.299	41.9
74	10.131	10.309	10.509	10.506	11.192	11.904	12.173	12.550	12.699	13.445	14.049	14.102	14.344	14.501	43.1

Source: website "demo.istat.it"

The analysis of the two tables above shows that, in the past 40 years, the life expectancy of persons between 65-74 years of age has increased considerably.

In fact the life expectancy of a 65 year old male has risen, in absolute terms, from 13.475 to 18.556 years with an increase, of just over five years and, in relative terms, by 37.7%.

While the life expectancy of a 65 year old female has risen, in absolute terms, from 16.624 to 22.014 years with an increase of just under five and a half years and, in relative terms, of 32.4%.

The previous two tables show that, in the last decades, the state of health of persons aged 65 years or older has improved considerably to justify the increase of the old age retirement.

2. Insurance requirement

- Minimum 20 years of contributions (1,040 weeks);
- Cessation of employment.

workers insured after 1st January 1996

- Minimum 20 years of contributions (1,040 weeks);
- the amount of pension calculated must not be less than 1.5 times the minimum monthly amount of social allowance;
- Cessation of employment.

Committee comments

The Committee of experts asked to explain:

- a. how the right to a reduced old-age pension after 15 years of contributions established by the Code is ensured in the Italian law for workers insured after 1st January 1996; and

b. what happens if after 15 or 20 years of contributions the amount of the worker's pension is still less than 1.5 times the minimum monthly amount of social allowance.

With this regard please note that workers insured after 1st January 1996 with less than 20 years of contribution, are entitled to a pension at the age of 70 and if they have accrued, at least, five years of contributions, regardless of the amount of the pension. It's important to point out that the 5 contribution years requirement refers only to the contribution effectively paid (compulsory, voluntary, redemption contribution) excluding any deemed contributions.

Due to the adjustment to life expectancy, the age requirement from 1st January 2013 to 31st December 2015 is 70 years and 3 months and from 1st January 2016 to 31st December 2018 is 70 years and 7 months. From 2019 the above requirement could rise due to the adjustment to life expectancy.

Besides any citizen without accrued contribution, in financial need and with an income situation specified by the law, is entitled to the "social allowance" that is a social assistance benefit (for details, see the section below about social assistance).

SENIORITY PENSION *(Pensione anticipata)*

Contribution requirements to early retirement have been adjusted to the increase the life expectancy provided by the Ministerial Decree of 16th December 2014, and by Law No. 190/2014.

To be entitled to seniority pension, workers must cessate any employment.

1. Workers insured by 31st December 1995.

Notwithstanding with their age, workers can retire earlier if they have accrued a minimum number of contribution years as follows:

Period	Men	Women
From 1 st January 2014 to 31 st December 2015	42 years, 6 months (2,210 weeks)	41 years, 6 months (2,158 weeks)
From 1 st January 2016	42 years, 10 months (2,227 weeks)	41 years, 10 months (2,175 weeks)

The above minimum years of contribution must be related to a minimum period of 35 years of effective work. The remaining contribution requirements can be fulfilled using any kind of credited contributions with the exception of voluntary contributions. Periods of employment prior to the attainment of 18 years of age are multiplied by 1.5.

The Law No. 190/2014, paragraph 707 states that the total amount of pension for the subjects that, as of 31st December 1995 have 18 or more years of contribution shall not exceed the amount that would have been paid with the application of calculation

rules in force before the date of entry into force of Decree law No. 201/2011, with reference to all the years of contributions accrued until retirement.

2. Workers insured after 1st January 1996 (defined-contribution system)

Workers may retire earlier, at the age of 63 plus the increase in life expectancy:

- if they have accrued at least twenty years of effective contribution, (compulsory, voluntary, retroactive paid) with the exclusion of the contribution notionally credited for any reason
- provided that the amount of pension is not less than 2.8 times the monthly minimum amount of social allowance according to Law No. 335/1995 (for year 2014: $447.17 \times 2.8 = \text{€ } 1,252.076$; for year 2015: $\text{€ } 448.52 \times 2.8 = 1,255.86$).

Exemption from penalisation

Paragraph 113 of Law No. 190/ 2014 (Financial Stability law) provides for the non-application of the "penalty" set out in article 24, paragraph 10, of Law no. 214 of 2011 to workers who claim their pension from 1st January 2015, aged less than 62 years if they satisfy the contribution requirement by 31 December 2017.

"Crystallization" of the right to early retirement pension

Subjects who satisfy requirement for early retirement pension by 31st December 2017 may claim the pension after that date without being requested to the completion of any following higher contribution requirement (also due to the adjustment to life expectancy) .

(b) Changes planned

As far as bilateral Agreements on social security are concerned the Italian Government has overcome the lack of financial coverage that had hampered the ratification of bilateral agreements in the last decades. After nearly three decades, a new phase has now begun during which the INPS will be backing the Ministry of Labour and Social Policy in the implementation of ratified Agreements by drafting the relevant Administrative Arrangements.

Particularly, on 4th March 2015, the Parliament approved the ratification law of the bilateral Agreement on Social Security between Italy and Turkey, that will enter into force on 1st August 2015.

Besides on 3rd June 2015 the Parliament approved ratification law of the bilateral Agreements on Social Security between Italy and Japan, Israel and Canada.

Further to this, the Agreement on Social Security with the Former Yugoslavian Republic of Macedonia will be probably ratified, and negotiations with Serbia, Bosnia Herzegovina and Montenegro will start, in view of replacing the Agreement currently in force between Italy and the former Yugoslavia dating back to 1957.

Moreover, the renegotiation of bilateral Agreements currently in force with Brazil, Australia and the United States, as well as the ratification of the bilateral Agreements already signed with Chile and New Zealand, are in the near future agenda.

Last but not least, the Ministry of Labour and Social Policy has recently decided to set up a technical table for discussion with the competent Authorities of Albania, in view of examining the viability of a social security bilateral Agreement, also considering that, being Albania a recent immigration Country, it will become particularly relevant under a political point of view.

To conclude, the INPS is directly involved in negotiating MOUss with the Agreement Partners' Institutions in view of implementing electronic exchange of data to enhance communication and administrative exchanges with the aim of reducing paper filing and making the relevant application procedures easier for claimants and pensioners. It is worth mentioning MOUs currently under negotiation or already signed including

those with some EU Member States (United Kingdom, Netherlands and Switzerland) and non-EU Countries (Argentina, Uruguay, United States, Brazil and Tunisia).

STATISTICAL DATA

ARTICLE 74

TITLE I

A - Number of employees insured by INPS (year 2014) (Source: INPS, Preliminary Budget 2014)	13,366,158
B - Total number of employees (average 2014) (Source: ISTAT)	16,780,000
C - Percentage of the number of the employees insured INPS (A) and the total number of the employees (B)	79.7%

Determination of the reference wage Standards to be complied with by periodical payments, Articles 65 and 66,
--

The Committee has pointed out that Italy has determined the reference wage of the ordinary adult male worker without specifying some details.

In this respect please note that the method used to determine the reference wage of the standard beneficiary concerned a level I and III male workers in metals industries "manufacturing and processing of metal products except for machinery and mechanical appliances" and "Manufacturing of machinery and mechanical appliances", according to the option "A" of Article 66 of the Code.

Besides, the Committee stresses the need to recalculate the average wage taking into account that in Italy the monthly wage is paid 14 times per year.

As matter of fact, the report provided in May 2014 already indicated the data on monthly wage (after deducting the share of 13th and 14th month's wage) and that one on yearly wage (by multiplying monthly wage by 14). To calculate monthly wage, gross of the share of 13th and 14th, the yearly wage must be divided by 12.

With regard to the source of data, please note that to evaluate the wages of metal workers distinguished by job level it has been necessary to consider the National Collective Labour Agreement (CCNL) and the index of contractual wages.

To obtain the data regarding only male workers it has made an estimate on the basis of the wage variation by gender observed on INPS Statistical Database.

The method used for determining the reference wage of the standard beneficiary under Articles 65 and 66 of the Code is therefore considered correct.

Besides, please note that in the Technical Note of ECSS-ILO – Italy there are also some inaccuracies about historical time series of the wage of level I and III metal worker from government source. For this reason it can be useful to show the following two tables:

- a) For a male level III worker in manufacturing and metal sector (“manufacturing and processing of metal products except for machinery and mechanical appliances”) and (“manufacturing of machinery and mechanical appliances”):

Year	Yearly wage Euro	Monthly wage in Euro (including the share of 13th and 14th month's wage)
2011	21,548.38	1,795.70
2012	22,057.98	1,838.17
2013	22,664.63	1,888.72
2014	23,028.60	1,919.05

- b) For a male level I worker in manufacturing and metal sector (“manufacturing and processing of metal products except for machinery and mechanical appliances”) and (“manufacturing of machinery and mechanical appliances”):

Year	Yearly wage Euro	Monthly wage in Euro (including the share of 13th and 14th month's wage)
2011	17,738.56	1,478.21
2012	18,151.14	1,512.60
2013	18,636.44	1,553.04
2014	18,927.58	1,577.30

Finally, the Committee remarked that the wages of level I and III workers in metal industries, belonging to the manufacturing sector, are substantially lower than the average gross wage of an unskilled and skilled male worker determined on the basis of Eurostat data under option (b) of *Articles 66(4) and 65(6)* respectively. In this respect it is pointed out that the data comparison is not homogeneous.

In fact, Eurostat data are collected from a sample relating to the only enterprises that employ more than 10 workers. Such data contain 13th, 14th month's salary and many other wage amounts, such as periodic bonuses, overtime etc. that are not included in the report based on CCNL, as mentioned by ECSS-ILO – Technical Note – Italy.

ARTICLE 65

Description of an estimated standard scenario for a married worker with no children who is about to cease gainful activity.

Standard employee: Wage level III metal worker.

TITLE I

Wage per hour earned by a standard employee €11.42
(Source: CCNL + ISTAT December 2014)

Monthly wage earned by a standard employee
(11.42 x 173.33) €1,979.43

TITLE III

Yearly wage of a standard employee including 13th
e 14th monthly pay €23,753.16
(1,979.43 x 14)

Yearly family allowance: -
(two people household with an income ranging from
€23,737.58 to 27,127.75 (0 x 12)
(See art. 42 – Tab 1)

A - total wage €23,753.16

Pension calculation after 30 years of gainful activity – determined according to the defined benefit system

The average weekly wage has been calculated assuming a wage amount equal to 95% of the last yearly income prior to retirement to be applied when determining the pension amount

Average weekly wage	$0.95 \times 23,753.16 / 52$	€ 433.95
Number of weekly contributions accrued	30×52	1,560
Monthly pension amount without 13 th monthly pay	$433.95 \times 1,560 \times 0.00153846$	€ 1,041.48

Yearly pension amount, including 13 th monthly pay	1,041.48 x 13	€ 13,539.24
Monthly family Allowance (2 people household; income till € 13.566,36) <i>See Article 42 Table 1</i>	46.48 x 12	€ 557.76

B. total pension € 14,097.00

B/A ratio between pension and wage 59.3

ARTICLE 65

TITLE VI

Information – (Source: ISTAT, Base 2010=100)

	Considered period	Consumer price index for family of workers and employees (without tobacco)
A	starting period 2013 (monthly average)	107.0
B	ending period 2014 (monthly average)	107.2
C	Percentage variation B/A (<i>see art. 42 – Tab. 2 enclosed</i>)	0.2%

Pension benefit variation (minimum)

	Considered period	Minimum income supplement (definitive values)
A.	Starting period 2013 (monthly average)	€ 495.43
B.	ending period 2014 (monthly average)	€ 500.88
C.	Percentage variation B/A	1.1%

PART VI WORK ACCIDENT AND OCCUPATIONAL DISEASE BENEFIT

See report from INAIL

PART VII FAMILY BENEFIT

a) Changes made during the reference period

ALLOWANCE FOR THE FAMILY PAID BY THE MUNICIPALITY

From 1st January 2015 in order to be entitled to the allowance paid by the Municipality for the family with at least three minor children, the new income ceilings must be used. The income ceilings refer to the Equivalent Financial Position Indicator (*ISEE*) and no longer to the Financial Position Indicator (*ISE*), as established by the re-evaluated *ISEE* reform for the year 2014, on the basis of the ISTAT consumer price index of 1.1%.

Year	ISEE Euro	Monthly amount Euro
2015	8,538.91	141.02
2015	8,555.99	141.30

ALLOWANCE FOR THE FAMILY *(Assegno per il nucleo familiare ANF)*

Starting from 1st July 2014 levels of household income were re-evaluated, according to the variation in the consumer price index calculated by the Italian National Institute of Statistics (ISTAT), (see table 1 below).

The same levels of income will be used for the determination of daily, weekly and fortnightly amounts of benefit

FAMILY ALLOWANCES *(Assegni Familiari AF)*

Provisions apply for persons excluded from the legislation concerning the allowance for the family, namely self-employed farmers, farmers, sharecroppers and small self-employed farmers and pensioners of special management for the self-employed.

The amounts of the allowance are:

- € 8.18 monthly paid to self-employed farmers, farmers, sharecroppers and small self-employed farmers for the children and equivalent;
- € 10.21 monthly paid to pensioners of special management fund of the self-employed and to small self-employed farmers for the spouse and children and equivalent;
- € 1.21 monthly paid to small self-employed farmers for parents and equivalent;

Monthly income ceiling

Minimum income supplement for 2015 is of € 501.89.

For 2015 the monthly income ceiling to be considered for the eligibility to family allowances are:

- € 707.54 for the a spouse, parent, for each child or equivalent;
- € 1,238.19 for two parents and equivalent.

STATISTICAL DATA

ARTICLE 74

TITLE I

A. Number of employees ensured INPS (year 2014) (Source: INPS, Preliminary Budget 2014)	13,243,000
B. Total number of employees (average 2014) (Source: ISTAT)	16,780,000
C. Percentage between number of INPS employees ensured (A) and total employees (B)	78.9%

ARTICLE 42

- Self-employed farmers
monthly rate for each dependent family
member). € 8.18

- Employee, please refer to the following tables:

Table 1 below
households with no children
(period 1st July 2014 – 30th June 2015);

[Table 2 enclosed](#)
Households with children under 18 years old
(period 1st July 2014 – 30th June 2015)

FAMILY ALLOWANCE FOR FAMILY WITHOUT CHILDREN

Table 1

Total monthly amount related to income and to the number of members in the family* (where none of the members is disabled)							
Reference household yearly income for the period starting from 1 st July 2014							
Yearly family income Euro		Allowance amount based on the number of members in the family - Euro					
		2	3	4	5	6	7 or more
up to	13,566.36	46.48	82.63	118.79	154.94	191.09	227.24
13,566.37	- 16,957.21	36.15	72.30	103.29	144.61	185.92	216.91
16,957.22	- 20,348.04	25.82	56.81	87.80	129.11	180.76	206.58
20,348.05	- 23,737.57	10.33	41.32	72.30	113.62	170.43	196.25
23,737.58	- 27,127.75	-	25.82	56.81	103.29	165.27	185.92
27,127.76	- 30,519.25	-	10.33	41.32	87.80	154.94	175.60
30,519.26	- 33,909.44	-	-	25.82	61.97	139.44	160.10
33,909.45	- 37,298.95	-	-	10.33	36.15	123.95	144.61
37,298.96	- 40,688.46	-	-	-	10.33	108.46	134.28
40,688.47	- 44,079.31	-	-	-	-	51.65	118.79
44,079.32	- 47,470.17	-	-	-	-	-	51.65

(*) Including the married couple only or the married couple + one brother, sister or nephew/niece

ARTICLE 44

A article 66

TITLE I

Standard employee: Wage level I metal worker.

Wage per hour earned by a standard employee, including 13 th and 14 th month's wage (Source: CCNL + Data INPS 2014)	€9.33
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Monthly wage earned by a standard employee = 9,33 x 173,33	€ 1,617.17
---	------------

Yearly wage of a standard employee (1.617,17 x 12)	€ 19,406.04
--	-------------

B - Statistical data

1. Total amount of cash benefits granted in respect of children up to 18 years old in 2014 (Source INPS, estimated value *)	€ 4,650,000,000.00
---	--------------------

2. Total amount of benefits in kind	----
-------------------------------------	------

3. Total	€ 4,650,000,000.00
----------	--------------------

C. i) Total number of resident children up to 18 years old in 2014

(Source: ISTAT, Residing people on 1 st January 2014)	10.158.005
---	------------

2,4%

ii) B.3/AxCi

(*) As known accounting records do not detect the amount of benefits for children under the age of 18.
Data are therefore estimated.

VIII MATERNITY BENEFIT

a) Changes made during the reference period

VOUCHERS FOR BABYSITTING SERVICES OR CHILDCARE SERVICES

Ministerial Decree of 28th October 2014 Article 4, paragraph 24, letter b) of Law No. 92/2012 has introduced on an experimental basis for the 2013 – 2015 period, an alternative to parental leave. Working mother can request, at the end of the maternity leave and within the successive eleven months, vouchers for the purchase of babysitting services or a contribution to meet the costs of the public network of services for children or for private accredited services.

By Decree of 28th October 2014 access criteria and methods of use of the above measures were defined, within the limits of the financial resources allocated for each year of testing for the 2014-2015 period.

These vouchers may be requested by working mothers that are entitled to parental leave, employees of public authorities or private employers, or registered under separate management.

The maximum amount paid is of € 600.00 monthly and for a maximum period of six months.

BIRTH GRANTS (Baby bonus)

Article 1, paragraphs 125 to 129 of the Law No. 190 of 23rd December 2014 has introduced a measure to support the birth rate; it is an allowance for each child born or adopted or in pre-adoptive foster care between 1st January 2015 and 31st December 2017.

Annual birth grant is paid monthly by the INPS. The extent of the allowance depends on the value of the ISEE calculated with reference to the family income:

- € 960 (€ 80 per month for 12 months), if the value of the ISEE does not exceed € 25,000 yearly;
- € 1,920 (€ 160 per month for 12 months), if the value of the ISEE does not exceed € 7,000 yearly.

Requirements

- Italian citizenship, or of a Member State of the European Union, or in cases of citizens from non-EU countries an EU residence permit for a long period as defined by Article 9 of Legislative Decree No. 286/1998. For the purposes of the allowance, Italian citizens are equivalent to foreign citizens having the status of political refugee or subsidiary protection (Article 27 of Legislative Decree No. 251/2007);
- Residence in Italy;
- Living with the child (the child and the requested parent must be cohabiting and must have their usual residence in the same municipality;
- ISEE of the family unit of the applicant or of the minor in cases where the latter forms his own unit, not over € 25,000 yearly).

MATERNITY ALLOWANCE GRANTED BY THE MUNICIPALITY

From 1st January 2015 in order to be entitled to the maternity allowance granted by the Municipality, the income ceilings refer to the Equivalent Financial Position Indicator (*ISEE*) and no longer to the Financial Position Indicator (*ISE*), as established by the re-evaluated *ISEE* reform for the year 2014, on the basis of the ISTAT consumer price index of 1.1%.

The amounts of the monthly maternity allowance due in full for the births, the pre-adoptive foster care and adoptions without custody are:

Year	ISEE ceilings Euro	Monthly amount Euro	Six months Euro
2014	16,921.11	338.21	1,69.05
2015	16,954.95	338.89*	1,694.45.

(*) Revaluation due to the increase in the ISTAT consumer price index for families of workers and employees to be applied in 2015 is equal to 0.2%.

STATISTICAL DATA

MATERNITY BENEFITS

Article 74 TITLE I

- | | | |
|-----------|---|------------|
| A. | Number of employees ensured INPS (year 2014)
(Source: INPS, Preliminary Budget 2014) | 12,374,000 |
| B. | Total number of employees (average 2014)
(Source: ISTAT) | 16,780,000 |
| C. | Percentage between number of INPS employees ensured
(A) and total employees (B) | 73.7% |

Article 74, TITLE II

- | | | |
|-----------|---|------------|
| A. | Number of resident (year 2014)
(Source: ISTAT residing on 1 st January) | 60,782,668 |
|-----------|---|------------|

b) Changes decided, planned or proposed for the following year

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

IX. INVALIDITY BENEFIT See report ex art. 76

X. SURVIVORS' BENEFIT See report ex art. 76

XI FINANCING

(a) Changes made during the reference period.

HIRING INCENTIVES AND REDUCTION OF LABOUR COSTS

In order to promote stable forms of employment, article 1, paragraphs 118 -124, of Law no. 190 of 23 December 2014 (hereafter also referred to as the "2015 Financial Stability Law") has introduced the exemption from payment of social security contributions by employers in relation to the new hiring of long-term employment in the course of 2015. Specifically, the aforementioned incentive applies to all private employers and, albeit, with specific measures, conditions and means of financing, also to employers in agriculture.

Apprenticeship and domestic employment contracts are excluded from the incentive. With regard to these types of contract, the legislative framework in force provides for the application of reduced social security rates compared to the standard rate.

The incentive is also not applicable in cases of jobs-on call-work, even if this is on a permanent basis. The exemption from payment of social security contributions applies on condition that during the six months prior to being hired the worker has not been in employment with a permanent contract.

In addition, during the three months (i.e. between 1st October 2014 and 31st December 2014) prior to the 2015 Financial Stability Law coming into force, the worker must not have been employed with a permanent contract by the employer applying for the incentive or by subsidiary companies thereof or by companies connected with the employer (as defined by article 2359 of the Italian Civil Code), or connected, via third parties, to the employer (article 1, paragraph 118, fourth sentence, Law no. 190 of 2014).

The amount of the exemption is equal to the amount of the social security contributions payable by the employer, excluding INAIL premiums and contributions, up to a maximum amount of € 671.66 (€ 8,060.00/12).

The application of the aforementioned incentive does not entail any reduction in the measure of social security benefits, as pension contributions continue to be calculated at the ordinary rate, generally 33% of total gross taxable income for employees. Similarly, the social security benefits and measures of the sector in which the employer operates continue to apply. The incentives apply to the period from 1st January 2015 to 31 December 2015, for thirty-six months starting from the date of hiring.

"YOUTH GARANTEE" HIRING INCENTIVES (*Garanzia giovani*)

With the adoption of the Ministerial Decree No. 1709 of 8th August 2014, the Ministry of Labour and Social Policies has approved the "National Operational Youth Employment Initiative project".

It provides an incentive to hire young people aged between 15 and 29 in the so-called NEET (Not engaged in Education, Employment or Training), i.e. young people who are not currently engaged in either studies or training courses or working activity (according to the Legislative Decree No 181/2000).

Further to the Amendment Decree No. 63 of 2nd December 2014, the incentive can be granted, within the limits of the funds specifically allocated, for workers hired from 1st May 2014 to 30th June 2017.

The incentive is available for temporary/extended contracts – including leasing contracts (*contratto di somministrazione*) with a duration of six months or longer and for permanent contracts including leasing contracts.

The incentive is also granted for salaried workers hired on the basis of a working cooperative associative relationship.

The incentive is also provided in cases of part-time employment on the condition that the working hours are equal to or higher than 60% of the standard working time.

Furthermore the incentive is also granted for apprenticeships (Departmental Amendment Decree No. 11/2015).

The incentive cannot be applied in cases of domestic, job-on-call, job-sharing or occasional employment.

The incentive and amount eligibility amount ranges from € 1,500 to € 6,000 and are determined by the degree of difficulty in seeking employment faced by the young person and the type of employment contract set out.

CONTRIBUTION RATE GENERAL COMPULSORY SCHEME

1. Employee (private and civilian servants)

Contribution rate: 33% (employers: 23.81%; workers: 9.19%).

The lower daily earnings limit upon which the social security contributions are calculated for all workers' categories, has been increased, in line with the increase in the minimum income supplement, to € 47.68.

The lower daily earnings limit for conventional remuneration is equal to € 26.49 for the year 2015.

Since as early as January 1993, all employees enrolled with pension funds where they pay earnings-related contributions at a rate lower than 10%, are meant to be paying an additional 1% on the part of earnings exceeding the lowest wage band.

In this regard, the lowest pensionable earnings' band for the year 2015 as been established at € 46,123.

Therefore, starting from 1st January 2012 the said 1% additional rate applies on the part of earnings exceeding the amount of € 46,123 per year which, related to a 12-month period, is equal to € 3,844.

For the year 2015, the upper annual earnings limit of € 100,324 has been fixed to be taken into consideration in order to determine both the contribution and benefit calculation basis, as provided for by Article 2 of Law No. 335/1995, for insured people who have registered with compulsory pension schemes starting from January 1996 and/or fall under the defined-contribution scheme.

For insured people who have registered with compulsory pension schemes before January 1996 the contribution is calculated on the entire earning.

Only for civil servants upper annual earnings limit is € 182,509 for 2014, and € 182.874 for 2015.

The lower earnings limit for crediting compulsory and deemed contribution is equal to 40% of minimum income supplement that for 2015 is € 501.89 equal to a weekly

earnings amount of € 200.76 equivalent to a yearly earnings amount of € 10.440 (€ 200.76 x 52).

Conventional remuneration for cooperatives' partners and small fishing companies' employees, as defined by Law No.250/1958, has been fixed at € 662 per month (€ 26,49 x 25 days) for 2015.

Law No. 214 of 22nd December 2011 establishes, with effect from 1st January 2012 and until 31st December 2017, a solidarity contribution to be paid by insured and pensioners registered in special provident funds (railway and tramway workers, tax, licensing, telephone and private gas company employees, civil aviation flight crews). Such funds are now merged in the pension fund for employees. For employees the solidarity contribution rate is fixed at 0.50% of taxable income.

The amount of the maternity benefit financed through the State budget is equal to € 2,086.24 for 2015.

2. Self-Employed

2.1 Artisans and traders

The contribution rate for artisans and traders is 22.65%; for assistants under 21 years old it is 19.65%. For 2015 there is an extra contribution rate of 0.09% as stated by Legislative Decree No. 207/1996 to ensure compensation in case of permanent cessation of commercial activity.

For maternity insurances artisans and traders pay a monthly contribution of € 0.62.

For artisans and traders the lower earnings limit for IVS (Invalidity, old age and survivors insurance) contribution is € 15,548.

The upper yearly earning to be taken into consideration for IVS contribution (Invalidity, Old Age and Survivors insurance) is € 76,872 for insured people already registered before 1st January 1996 and € 100,324 for those registered after 1st January 1996.

It is pointed out, furthermore, that article 1, paragraphs 76-84, of Law no. 190 of 23 December 2014 introduces a new preferential contribution system for individuals who satisfy requirements and are in the conditions set out in paragraph 54 and subsequent paragraphs.

The preferential system in question, which is optional and accessible by application only, provides that contributions for artisans and traders scheme are calculated as a percentage of the flat-rate income, as set by the Internal Revenue Agency, without applying the minimum taxable level as provided for by article 1, paragraph 3, Law no. 233 of 2nd August 1990.

2.2 Self-employed fishermen

From 1st January 2014 and throughout 2015 the IVS contribution rate is 14.9%.

The minimum income to take into consideration for the purpose of calculating the IVS contribution is the following:

2014	Conventional remuneration
Measured on a per-day basis	€ 26.49
Measured on a monthly (25 days) basis	€ 662.00

The monthly contribution for 2015 calculated by applying the contribution rate to the conventional remuneration is € 98.64.

For maternity insurances fisherman pay a monthly contribution of € 0.62.

2.3 Self-employed workers of special fund 2015

2.3.1 subjects enrolled exclusively in the special fund for self-employed (*gestione separata*) Article 2, paragraph 57, Law No. 92 Of 28th June 2012 states that for contribution rate for 2015 is increased to 30%.

2.3.2. self-employed workers, owners of the fiscal position for value added tax, enrolled in the special fund for self-employed workers (*gestione separata*) not insured with other forms of compulsory social security schemes or pensioners Art 10 bis, Law No. 11 of 27th February 2015 has established contribution rate to equal to 27% for 2014 and for 2015, 28% for 2016 and 29% for 2017.

It is confirmed an additional contribution rate of 0.72% to finance maternity, family allowance, sickness benefits and hospitalization.

Professionals	Rate %
Enrolled exclusively in the special fund for self-employed	27.72 (27 IVS+0,72 additional contribution rate)
Pensioners or subjects enrolled in other forms of compulsory social security scheme	23.50

Freelancers and similar contracted hired	Rate %
Enrolled exclusively in in the special fund for self-employed	30.72 (30 IVS + 0.72 additional contribution rate)
Pensioners or subjects enrolled other forms of compulsory social security scheme	23.50

The minimum annual contribution are calculated as follows:

Minimum yearly income Euro	RATE %	Minimum yearly contribution Euro
15,548	23.50	3,653.78
15,548	27.72	4,309.91 (IVS 4,197.96)
15,548	30.72	4,776,35 (IVS 4,664.40)

(*) IVS: Old age, Invalidity and survivors' insurance

The minimal income for 2015 is € 15,548, while upper annual earnings is € 100,324.

3. Show Business Industry

Contribution rate: 33%, (employers: 23.81%; workers: 9.19%)

Only for *terpsichora* and dancers the total contribution rate is 35.70%, (employers: 25.81% workers, 9.89%)

3.1 Workers registered to the compulsory schemes from 1st January 1996

The upper annual earnings has been increased of 1,1% due to the cost of living changing, as stated by ISTAT. For the year 2015 the ceiling of € 100,324 is to be taken into consideration in order to determine both the contribution and benefit calculation basis, as provided for by article 2, paragraph 18 of Law No. 335/1995.

Law No. 438/92 provides an additional contribution rate of 1% on charge of the workers. For 2015 the lowest taxable earning band is € 46,123 annually (that divided in 12 months is equal to € 3,844) and the upper taxable earnings band is € 100,324 annually.

Legislative Decree No. 182/1997 on article 1, paragraph 14 states a solidarity contribution rate of 5% (2.50% for employers and 2.50% for workers) for the above mentioned annual earning exceeding the upper ceiling (€ 100,324).

3.2 Workers registered to the compulsory schemes before 1st January 1996

The taxable upper daily ceiling earning is € 731. Consequently the daily earning bands and the related upper ceilings are adjusted as follows:

2015			
Daily earning bands		Taxable upper daily ceiling	Days of credited contribution
from Euro	to Euro	Euro	
731.01	1,463	731	1
1,463.01	3,657	1.463	2
3,657.01	5,851	2.194	3
5,851.01	8,045	2.925	4
8,045.01	10,239	3.657	5
10,239.01	13,164	4.388	6
13,164.01	16,090	5.120	7
16.090.01	over	5.851	8

Legislative Decree No. 182/1997 on article 1, paragraph 8 provides a solidarity contribution rate of 5% (2.50% for employers and 2.50% for workers) for the taxable daily earning exceeding the upper ceiling, for the above mentioned bands.

For 2015, an additional contribution rate of 1% (on charge of the workers) on the part of earnings exceeding € 148 up to the taxable daily earning exceeding the earnings band for the above mentioned bands.

Maternity and sickness contribution

The upper daily earnings limit to be taken into consideration in order to determine the sickness and maternity benefit insurance contributions for the temporary workers is equal to € 67.14 for 2015.

4. Professional Sportsmen

4.1 Workers registered to the compulsory schemes from 1st January 1996

The upper annual earnings ceiling has been increased of 1.1% due to the cost of living changing, as stated by ISTAT. For the year 2015 the ceiling of € 100,324 is to be taken into consideration in order to determine both the contribution and benefit calculation basis, as provided for by article 2 of Law No. 335/1995.

Law No. 438/92 provides an additional contribution rate of 1% on charge of the workers. For 2015 the lowest taxable earning band is € 46,123 annually (that divided in 12 months is equal to € 3,844) and the upper taxable earnings band is € 100,324 annually.

Legislative Decree No. 166/1997 on article 1 paragraph 4 states a solidarity contribution rate of 1,2% (0.60% for employers and 0.60% for workers) due for the annual earnings exceeding € 100,324 up to the yearly amount of € 731,362.

4.2 Workers registered to the compulsory schemes before 1st January 1996

The taxable upper daily ceiling earning is € 322.

A solidarity contribution rate of 1.2% (0.60% for employers and 0.60% for workers) is due for the daily earning exceeding the amount of € 322 up to the daily ceiling of € 2.344 (article 1, paragraph 3 of Legislative Decree No. 166/1997)

An additional contribution rate of 1% is due (on charge of the workers) on the part of earnings exceeding € 148,00 and up to the upper ceiling of € 322.

b) Changes implemented, planned or proposed for the following year

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

ASSISTANCE BENEFITS

Prevention and reduction of poverty

The Committee asked the Government to send the most recent and comprehensive statistics on the structure and dynamics of poverty in the country, including among the active population, pensioners and children, and on the guaranteed minimum amounts of social benefits in comparison with the established poverty line.

In this regard please see the tables on the life expectancy and on the active population listed on part V.

In Italy, the economic crisis that began in 2008 has caused a severe and continuous rise in unemployment and a general impoverishment of population. From 2008 to 2014 the number of employees was reduced by more than 800,000 units and, in the same period, the number of people seeking employment increased by more than 1.5 million.

The consequences of this period of crisis (in which personal income has returned to 1990 levels), could have had much more serious consequences without the compensatory social benefits measures. Indeed, during these years of reduction of primary income, the increase in social security benefits has provided a cushion against the decrease in available income and social security benefits have compensated for this decrease in households' income, contributing to the stability of social cohesion in Italy.

Despite the economic downturn, Italy has therefore guaranteed policy interventions and services to support subject who do not have sufficient means, or find themselves in a temporary situation of emergency, who and to prevent the marginalization of people and households socially weak.

The analysis of the relationship between total annual pension and GDP shows an increase ranging from 9.5% in 2004 to 11.8% in 2015 with an average annual increase by 2%; for assistance benefits this ratio increases by 3.7% yearly over the same period.

Assistance benefits provided by INPS do not have a contribution basis. Their cost is upheld completely by the State.

The number of assistance benefits paid out by INPS has increased from 3,674,367 in 2013 to 3,731,626 in 2015 and have for a monthly average monthly amount of € 418 the majority of beneficiary are women (61.4%).

Social allowance and social pensions represent 22.7% of the assistance benefit and are paid to people over 65 years without minimum income. The number of social allowance and social pensions paid on 31st December 2014 is 845,824 (+1.2% compared to 2013) with an average monthly amount of € 419.

The main economic assistance measures managed by are:

- social allowance
- benefits for the civilian disabled
- minimum income supplement
- fourteenth month's payment
- social supplement
- purchase card
- bonus for workers
- family allowance paid by municipalities
- maternity allowance paid by municipalities
- birth grant "baby bonus"

ASSISTANCE BENEFITS paid on 01.01.2015

Benefit	Men	Women	Number of benefits	Monthly average amount Euro	Total amount	% on total
Social pension and social allowance	297,434	548,390	845,824	420.35	4,622.1	23.7
Total benefits paid to civil disables	1,144,580	1,741,222	2,885,802	422.39	14,872.4	76.29
TOTAL welfare benefit	1,442,014	2,289,612	3,731,626	421.93	19,494.5	100

SOCIAL ASSISTANCE EXPENDITURE

2015	Number	Monthly average amount Euro
Social assistance benefits	3,731,626	421.93
Social pension/social allowance	845,824	420.35
Civil disability benefits	2,885,802	422.39

Requirements

For the majority of the social assistance benefits (social allowance, benefits provided for civil disables, and invalid people, attendance allowances, monthly allowance, monthly allowance of school frequency, absolute and partial civil blind, attendance allowance for totally blind, partial blind, pension for the deaf, communication allowance and purchases card (*carta acquisti*):

- Italian citizenship;
- For EU citizen registration to the municipality of residence;
- For non-EU citizens: ownership of a residence permit for EU long-term residents (former residence card);
- Actual residence, stable and continuous in the country.

SOCIAL ALLOWANCE

(*Assegno sociale*)

Starting from 1st January 1996 social allowance replaced the social pension. It is an assistance provision paid to people who are in financial need not eligible for the old-age pension

Requirements

- Age 65 year and 3 months increased according to life expectancy;
- Economic need;

Entitlement to the benefit is determined on the basis of single income for those unmarried and on the basis of the couple household's income for married people. Social allowance is granted on a provisional basis and the verification of the personal requirements, of the actual residence and means test is done annually.

The amount for the year 2015 to an unmarried citizen is € 448.52 per month, € 5,380.76 yearly.

AMOUNT OF SOCIAL PENSION AND SOCIAL ALLOWANCE (EURO)

Year	Social pension yearly amount	Social allowance Yearly amount	Monthly amount, paid for 13 months, of social pension	Monthly amount, paid for 13 months, of social allowance
2012	4,600.57	5,582.33	353.89	429.41
2013	4,738.63	5,749.90	364.51	442.30
2014	4,790.76	5,813.21	368.52	447.17
2015*	4,805.19	5,830.76	369.63	448.52

(*) Provisional values

SOCIAL ALLOWANCE INCOME CEILING AND MONTHLY AMOUNT CALCULATION
(EURO)

Year	Unmarried pensioner		Married pensioner	
	<i>Yearly income (RP)</i>	<i>Monthly amount</i>	<i>Yearly income (RC)</i>	<i>Monthly amount</i>
2012	Zero	429.41	Zero	429.41
	> 5,582.33	Zero	> 11,164.66	Zero
	< 5,582.33	$(5,582.33 - RP) / 13$	< 11,164.66	$(11,164.66 - RC) / 13$
2013	Zero	442.3	Zero	442.3
	> 5,749.90	Zero	> 11,499.80	Zero
	< 5,749.90	$(5,749.90 - RP) / 13$	< 11,499.80	$(11,499.80 - RC) / 13$
2014	Zero	447.17	Zero	447.17
	> 5,813.21	Zero	> 11,626.42	Zero
	< 5,813.21	$(5,813.21 - RP) / 13$	< 11,626.42	$(11,626.42 - RC) / 13$
2015	Zero	448.2	Zero	448.52
	> 5,830.76	Zero	> 11,661.52	Zero
	< 5,830.76	$(5,830.76 - RP) / 13$	< 11,661.52	$(11,661.52 - RC) / 13$

MINIMUM INCOME SUPPLEMENT

(Integrazione al trattamento minimo)

The minimum income supplement is paid to pensioners with an income level lower than the ceiling set by law, and whose pension is not sufficient to guarantee them a dignified life. If the pension amount is below the minimum set annually by law, pensioners may be entitled to a supplementary.

In cases in which the pensioner's or household's incomes are slightly higher than the minimum established by the legislation, the supplementary payment may be partial.

MINIMUM INCOME SUPPLEMENT FOR PENSIONS OF THE EMPLOYEES AND SELF EMPLOYED

Year	Yearly of amount of supplement Euro	Monthly amount paid for 13 months of supplement Euro
2012	6,253.00	481.00
2013	6,440.59	495.43
2014	6,511.44	500.88
2015*	6,524.44	501.89

(*) *Provisional values*

Income ceiling

Single household's income ceiling:

Year	Minimum income ceiling for full supplement Euro	Minimum income ceiling for partial supplement Euro
2014	up to 6,517.94	from 6,517.94 up to 13,035.88
2015	up to 6,531.07	from 6,531.07 up to 13,062.14

Married couple household's income ceiling

Year	Minimum income ceiling for full supplement Euro	Minimum income ceiling for partial supplement Euro
2014	up to 19,534.32	from 19,534.32 up to 26,045.76
2015	up to 19,593.21	from 19,593.21 up to 26,124.28

NUMBER OF PENSIONS WITH MINUM INCOME SUPPLEMENT AND AVERAGE AMOUNT

Pensions with minimum income supplement 2015	Number	Monthly average amount Euro
Old age pension	1,882,436	487.57
Invalidity pensions	546,858	491.84
Survivors' pensions	1,039,960	501.52
Total	3,469,254	492.43

FOURTEENTH MONTH'S PAYMENT

(Quattordicesima)

The payment is an additional annual sum paid to low-income pensioners. Beneficiaries are former employees and former self-employed workers pensioner over 64 years old whose personal incomes (spouse's income is not considered) do not exceed one and a half times the minimum pension (€ 501.89)

Income requirements

For 2014, in consideration of the fact that the minimum monthly pension is € 501.38, the income ceiling that must not be exceeded is € 9,776.91 (€ 501.38 x 13 x 1.5), for a monthly income of € 752.07 (x 13 months).

For 2015, in consideration of the fact that the minimum monthly pension is € 501.89, the income ceiling that must not be exceeded is € 9,786.86 (€ 501.89 x 13 x 1.5), for a monthly income of € 752.835 (x 13 months).

Number of fourteenth month's payments paid in July 2014: 2,176,160 .

Benefit amount

Benefit amounts depends on the number of credited contribution, as reported in the following table (year 2015):

Years of contribution		Additional sum
Employee	Self-employed workers	Euro
up to 15	up to 18	336
over 15 and up to 25	over 18 and up to 28	420
over 25	over 28	504

SOCIAL SUPPLEMENT

(Maggiorazione sociale)

All pensioners , beneficiaries of direct pension(old age, invalidity, invalidity or inability allowance) and of survivors' pensions, including pensions with an amount higher than the minimum, may be entitled to the social supplement on condition that their personal and family income does not exceed the ceiling provided for by law and satisfy the age requirements.

The amount of the social supplement is € 136.44 per month.

Income ceiling

A - Single income ceiling = yearly minimum supplement (TM) + social supplement

B - Married couple household's income ceiling = single income ceiling + yearly amount of social allowance (AS)

Year	TM Euro	AS Euro	Personal income ceiling Euro	Couple household's income ceiling Euro
2012	6,253.00	5,582.33	8,026.72	13,609.05
2013	6,440.59	5,749.90	8,214.31	13,964.21
2014	6,511.44	5,813.21	8,285.16	14,098.37
2015	6,531.07	5,830.76	8,304.79	14,135.55

Social supplement amount due is the lower amount between the full amount of the supplement and the amount resulting from the calculation made on the basis of personal income and of the sum of the personal income of the pensioner and of the spouse income

$$[A - (RP + P)]: 13$$

$$[B - (RP + RF + P)]: 13$$

- RP: pensioner's personal income to be considered for the social supplement.
- RF: income of the spouse of the pensioner
- P: amount of pension due in the year.

PURCHASES CARD

(Carta Acquisti)

It's an economic measure introduced for some categories of citizens to support them in food expenditure, healthcare costs and payment of electric and gas bills.

Purchased card is an electronic payment card to use for purchases in participating stores or for payment of domestic bills.

Requirements

Elders aged between 65 and 70 years

- Who have a valid ISEE less of € 6,781.76 (2014), or who have a pension or an assistance allowance that, cumulated to their incomes, are less than € 6,781.76 per year;
- Who have a valid ISEE less of € 6,795.38 (2015), or who have a pension or an assistance allowance that cumulated to their incomes, are less than € 6,795.38 per year.

Elders aged over 70 years

- Who receive a pension or an assistance allowance that, cumulated to their incomes, are less than € 9,042.34 yearly (2014);
- Who have a pension or an assistance allowance that cumulated to their incomes are less than € 9,060.51 yearly (2015).

In both cases there are some limits linked to home utility bills, cars ownership, asset and property.

Family with children under 3 years:

- Parent applicant with a valid ISEE less than € 6,781.76 (2014)
- Parent applicant with a valid ISEE less than € 6,795.38 (2015)

Purchases card is charged every two months with € 80 (€ 40 per month) on the basis of allocation available.

SIA EXPERIMENTATION (SUPPORT FOR INCLUSION MEASURES)

(Sostegno per l'Inclusione Attiva)

In the spring of 2014, the experimentation of a new social card for contrasting poverty was introduced.

It represents not only an economic support to family in need, but a much wider project in view of active social inclusion: work for adults, schooling for children, social and health services for the whole family.

The initial testing phase, which is still ongoing, involved 12 cities - Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Venice, Verona.

The monthly amount paid to the beneficiaries is based on the number of family members and can reach up to 400 Euro per month for families of 5 or more members.

Therefore, SIA represents an additional support measure to go with the ordinary Social Card (*Carta Acquisti*), that is still in force.

The overall measures provided by the testing phase aim at building active social inclusion paths that can involve the whole network of social actors, starting from the beneficiaries.

The Municipalities, in fact, have committed themselves to associating the benefits in cash with a global personalized intervention project tailored on each family member's needs, with special attention to minors.

The project, designed *ad hoc*, is meant to combat poverty and to increase work re-integration. In fact it provides measures aiming at both increasing the adult re-employment opportunities (work active research paths) and the school performances as well as protecting children and young people health.

This testing phase has to be considered within a more general process to define measures to counteract absolute poverty.

This initiative can be considered as a mean to reach decent standards of living throughout Italy and is in line with the strategic direction of the European Commission Recommendation regarding active inclusion (2008/867/EC), involving other two pillars in addition to income support measures: inclusive work markets and access to quality social services.

BONUS

The bonus is a tax credit, granted as of May 2014, to workers with low wages (employees either full-time or part-time contracts, workers with a collaboration contract, or workers receiving unemployment benefits, mobility allowance or unemployment).

Benefit amount

The bonus is calculated on the total yearly income - net income from a the house of residence, and is divided by the number of pay checks that are perceived in the year. If the subject works all the year without interruption it will be divided by 12. As in the case of tax deductions from work employees', the bonus is related to the period of work . So, if the subject works only from July to November he will perceive a 5/12 bonus.

For 2014 up to income of € 24,000 the total bonus amount is of € 640, or € 80 per month as of May 2014. For 2015 up to income of € 24,000 the total bonus amount is of € 960. If the income exceeds € 24,000, bonus gradually decreases, as reported in the following table:

Gross annual income 2014	Annual bonus amount Euro
from € 0 to € 8,000	0
from € 8,000 to € 24,000	640
€ 24,500	480
€ 25,000	320
€ 25,500	160
from € 26,000	0
Gross annual income 2015	Annual bonus amount Euro
from € 0 to € 8,000	0
from € 8,000 to € 24,000	960
€ 24,500	720
€ 25,000	480
€ 25,500	240
from € 26,000	0

CIVILIAN DISABILITY BENEFITS

Benefits are granted to persons unable to carry out a gainful work for congenital or acquired disabilities. Work capacity must be reduced to more than one third.

For people under 18, certified difficulty standing in the functions and duties in relation to his age

DISABILITY PENSION *(Pensione di inabilità)*

It is an economic benefits, paid on demand, to subjects with:

- total (100%) and permanent incapacity to perform any kind work;
- in an economic need;
- age between 18 and 65 years (65 years and 3 months from 1. January 2013).

ATTENDANCE ALLOWANCE *(Indennità di accompagnamento)*

It is an economic benefits, independent of age and income ceiling, paid on demand, to subjects with:

- Certified total disability (100%) physical or mental;
- Inability to walk without the permanent aid of an assistant;
- or inability to carry out daily tasks of life and the consequent need for ongoing support.

MONTHLY ALLOWANCE *(Assegno mensile)*

The monthly allowance is an economical support, paid on demand, to subject whose working capacity is partially reduced between 74% and 99%.

Since it is a welfare benefit granted to those who are in a state of economic need, to be eligible for the allowance you must have an income not exceeding the ceilings provided annually by law.

Requirements

- Partially disability between 74% and 99%;
- Situation of economic need;
- Age between 18 and 65 years (65 years and 3 months from 1st January 2013).

MONTHLY ALLOWANCE FOR DISABLED PEOPLE UNDER 18 YEARS *(Indennità mensile di frequenza)*

Monthly allowance for disabled people under 18 years is an economic benefit to support the integration into the social and school system of disabled people under 18 years. Every citizen under 18 years who have persistent problems to carry out the duties of the age satisfying the health and administrative requirements provided for by the law are entitled to this monthly allowance.

Requirements

- Age under 18 years;
- Permanent disability to carry out the duties of the minor age;
- Attendance for:
 1. Continuous or periodic of public or private outpatient centres, day care centres (even semi-residential) operating under the National Health System Agreement and specializing in therapeutic treatment and in rehabilitation of disabled;
 2. Private or public school of any order and level from day nursery;
 3. Public or private professional training Centres, operating under the National Health System Agreement, aiming to a social reintegration of minor people;
 4. Situation of economic need.

The monthly allowance is incompatible with:

- Any type of in-patient treatment;

- Attendance allowance as civilian disabled unable to walk or not self-sufficient;
- Attendance as totally blind persons;
- Special allowance as partially blind persons;
- Communication allowance for deaf-mutes.

Subject has the right of the option for the most favourable economic treatment.

AMOUNT AND INCOME CEILING FOR CIVILIAN DISABLED

Type of pension	Year	Monthly amount Euro	Annual income ceiling - Euro
Totally disabled <i>(Total and permanent working disability)</i>	2014 2015	279.19 279.75 paid for 13 months	16,449.85 16,532.10
Partially disabled (between 74%and 99%)	2014 2015	279.19 279.19 paid for 13 months	4,795.57 4,805.19
Attendance allowance totally disabled	2014 2015	504.07 508.55 paid for 12 months	not related to income ceiling
totally blind	2014 2015	863.85 880.70 paid for 12 months	not related to income ceiling
Monthly allowance for disabled under 18 years	2014 2015	279.19 279.75 paid for 12 months	4,795.57 4,805.19
Special allowance partially blind	2014 2015	200.04 203.15 paid for 12 months	not related to income ceiling
Communication allowance for deaf- mutes	2014 2015	251.22 253.26 paid for 12 months	not related to income ceiling
allowance for blind	2014 2015	279.19 279.75 paid for 13 months	16,449.85 16,532.10
allowance for deaf	2014 2015	279.19 279.75 paid for 13 months	16,449.85 16,532.10

BENEFITS FOR BLIND PEOPLE

(Ciechi civili)

Blind people are subjects recognized as suffering from a total blindness or who have a residual vision not exceeding one-twentieth in both of eyes due to congenital or contracted cause not dependent by the war or by workplace accident during or occupational disease.

Blind people are divided into the following categories:

- Totally blind people who have a residual vision equal to zero in both eyes, even using any possible correction;
- Partially blind people who have a residual vision not exceeding one-twentieth in both eyes even with any possible correction (so called *ventesimisti*);
- Blind who have a residual vision between one-tenth and one-twentieth in both eyes (so-called *decimisti*). Law No. 66 of 10th February 1962 has abolished this category, maintaining the payment of the related allowance only for those *decimisti* who already received the benefit.

NON-TRANSFERABLE PENSION FOR TOTALLY BLIND PEOPLE

(Pensione non reversibile per ciechi assoluti)

The non-transferable pension is an economic assistance benefit provided , on demand, to people over 18 years recognized as totally blind and not payable to survivors.

It is paid to those who are in a situation of need due to a lack of individual economic resources . For this reason to be eligible subject's income must not exceed the ceilings annually provided for by the law.

Requirements

- Age over 18 years;
- Certification of totally blindness;
- Situation of economic need.

ATTENDANCE ALLOWANCE FOR TOTALLY BLIND PEOPLE

(Indennità di accompagnamento ciechi assoluti)

Attendance allowance is an economic benefit provided, on demand, to people recognized as totally blind persons and is not related to the age and to income ceiling.

Requirements

Certification of totally blindness.

SPECIAL ALLOWANCE FOR PARTIALLY BLIND PEOPLE

(Indennità speciale ciechi parziali)

Special allowance is an economic benefit provided, on demand, to people recognized as partially blind persons. This special allowance is paid for disability and is not related to the age and to income ceiling.

Requirements

Certification of partially blindness for people who have a residual vision not exceeding one-twentieth in both eyes due to congenital or contracted cause not dependent by the war or by workplace accident or occupational disease.

NON-TRANSFERABLE PENSION FOR PARTIALLY BLIND PEOPLE

(Pensione non reversibile)

Non-transferable pension is an economic benefit provided, on demand, to people recognized as partially blind persons.

It's an assistance benefit paid to those who are in a situation of need due to a lack of individual economic resources. For this reason to be eligible subject's income must not exceed the ceilings annually provided for by the law.

Requirements

- Certification of partially blindness in people who have a residual vision not exceeding one-twentieth in both eyes due to congenital or contracted cause not dependent by the war or by workplace accident or in the course of work;
- Situation of economic need.

PENSION FOR DEAF *(Pensioni ai sordi)*

Deaf people are those who have a sensorial disability related to hearing, suffering from congenital, or acquired deafness during developmental age (until 12 years), which has prevented the normal learning of spoken language as long as the deafness is not due to mental disease or dependent by war or work accident.

NON-TRANSFERABLE PENSION FOR DEAF *(Pensione non reversibile)*

Non-transferable pension is an economic benefit provided , on demand, to people who have a congenital or acquired deafness during developmental age.

It's an assistance benefit paid to those who are in a situation of need due to a lack of individual economic resources . For this reason to be eligible for this benefit income not exceed the ceilings annually provided for by the law

Requirements

- Age between 18 and 65 years (65 years and 3 months from 1st January 2013);
- Certification of congenital or acquired deafness during developmental age (until 12 years) with hearing loss (equal to or greater than 75 decibel HTL of medium among the frequency 500,1000,2000 Hz in the better ear) which has made difficult the normal learning of spoken language;
- Situation of economic need.

COMMUNICATION ALLOWANCE *(Indennità di comunicazione)*

Communication allowance is an economic benefit provided , on demand, to persons who have a congenital or acquired deafness during developmental age and is not related to the age and to income ceiling.

Requirements

- Aged 12 years or less, certification of hearing loss equal to or greater than 60 decibel HTL of medium among 500.1000.2000 Hz in the better ear;
- Aged over 12 years , certification of hearing loss equal to or greater than 75 decibel HTL and demonstrate the onset of the hearing loss before 12 years;
- This benefit is due for sensorial disability and is not related to the age and income ceiling.