



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

**SUBMITTED BY
ITALY
TO
THE COUNCIL OF EUROPE AT STRASBOURG**

Period:

1st July 2020 – 30th June 2021

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

PART I

GENERAL PART

A. ADMINISTRATION/ORGANISATION

a) Changes made during the reference period

INPS organization

The current organization of the Institute, outlined by the Organizing Regulation and the Organization of INPS structures at central and territorial level ("*Regolamento di Organizzazione*¹" and "*Ordinamento delle Funzioni centrali e territoriali*²"), establishes the organization of the Headquarter and the territorial Structures. The following table shows an overview of the structures and the functions:

1	General Directorate: performs functions of direction, coordination, planning and control, for the implementation of its bodies' regulations. It is articulated in 19 central departments, 1 national project, 4 offices of professionals, 4 central offices and 5 support offices of governing bodies
23	20 Regional Directorates and 3 Directorates of Metropolitan Coordination of Milan, Rome and, Napoli: provide a valuable work for stakeholders, guaranteeing efficient services and an efficient institutional processes management of the territorial structures, implementing the guidelines and programs defined by the Directorate-General
116	103 Provincial Directorates , 12 Metropolitan Agencies and 1 provincial agency: ensure the provision of services related to contribution flows and documentary supervisory and inspection activities, provide benefits and allowances to entitled persons, control on compliance and customer care.
312	40 Complex Agencies and 272 Territorial Agencies: operating structures close to customers with functions of orientation, consulting and providing services,
9	Social Structures: carry out the institutional functions to the benefit of

¹ Deliberazione del Consiglio di amministrazione n. 108/2020

² Determinazione INPS n. 119/2019

	insured people, pensioners and their relatives
92	<u>Inps modules (Punti Inps)</u> : organized modules set up in synergy with other Public Administration Institutions to deliver a more efficient services and closeness to customers thanks to the presence of the Institution staff
224	<u>User's modules (Punti Cliente)</u> : telematic desks set up in Municipalities, other Public Administrations and Associations, where only predefined and complementary services regarding institutional functions of the Administration/Association that request those services are guaranteed

Changes in the organization of public social security institutions

Article 25 of the Legislative Decree No. 4 of 28th January 2019 reintroduced the Board of Directors³ in the public social security institutions and repeals paragraph 8 of article 7 of the Law Decree No. 78 of 31st May 2010, converted, with amendments, into Law No. 122 of 30th July 2010.⁴

The new INPS Board of Directors has been appointed by Decree of the President of the Council of Ministers (DPCM) of 16th December 2019. It consists of total five members, including the President of INPS, who chairs it, the Vice-President and three members. The Board will be in office for four years.

ONLINE SERVICES

³ It is appointed by Decree of the President of the Council of Ministers, upon proposal of the Minister of Labor and Social Policies in consultation with the Minister of Economy and Finance.

⁴ The repealed article stated: The powers of the board of directors - as per provisions contained: in the President of the Republic Decree No. 639 of 30th April; in the Law No. 88 of 9th March 1989; in the legislative Decree No. 479 of 30th June 1994; in the President of the Republic Decree No. 66 of 24th September 1997; in any other provision concerning public social security and welfare Institutions, pursuant to art. 1, paragraph 1, of the above cited legislative Decree No. 479/1994 - are devolved to the President of the Institution, who exercises them with his own determinations.

The INPS online services are provided via:

1. Institutional web portal (www.inps.it)
2. Mobile Site
3. Multichannel Contact Centre (MCC)
4. PEC - Certified e-mail
5. Two-way communication with companies

The Institute is also on social media - Facebook, Twitter and Instagram profiles – through which provides users with update news and real-time information about its services and initiatives. On INPS YouTube channel are uploaded videos containing institutional communication and other activities.

Inps has adopted a model of services and activities provision in a user-centric and multi-channel way which, also guarantees physical proximity to users who can book through an automated voice booking service either for accessing in person to get information and services, or being contacted by phone or web meeting.

To access the online services, customers can also be assisted by some different Institutional intermediaries such as, *Patronati* (institutions for advice and social assistance), *CAF* (tax assistance centers), Labour Consultants and professional associations, etc., deployed and guaranteed by Inps.

INPS is especially committed to improve the data exchange with *Patronati* (institutions for advice and social assistance) and to this purpose is experimenting with a new app called "Two-way Communication *Patronati*" (COMBIPAT).

This app allows the *Patronato's* operator to send a well-structured communication to the competent INPS officer through a dedicated two-way channel by filling out a web form on behalf of the citizens.

Use of the institutional web-site

All services, social security and welfare benefits of INPS are fully and directly accessible on the its web site (www.inps.it) that currently represents the key channel of communication with customers.

The portal is fully responsive, adaptable to any device, and completely redesigned in the graphics, offering more interaction, powerful, immediate, and intuitive navigation modalities.

In the area called “*MyInps*”, accessible entering the tax code and PIN code or SPID code or National Service Card number (CNS)⁵, completely personal and reserved the customer can find the news and items of his own interest (the information linked to his profile), the status of ongoing proceedings, the history and outcome of the already existing interactions, the digital copy of the decisions already issued, or other personal documents.

From 1st October 2020, Inps no longer provides the PIN code as the login credentials to its website except for those who cannot get the SPID code (ex: minors, non-EU citizens.)

To allow a smooth switch off from PIN to SPID code a transitional period from 1st October 2020 has been foreseen during which users can still utilize their PIN to access the Inps website.

The procedures and terms of the switch off from PIN to SPID are communicated on the Inps website and social networks and, through the distribution of information materials to the Inps territorial structures, authorized intermediaries and Inps stakeholders.

Services provided on mobile devices

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

⁵Articles 3-bis, 64 and 66 of Legislative Decree March 7, 2005, n. 82 (Digital Administration Code), and Hermes Message number 001081 of 15/03/2019 containing "Access to device services via Contact Center through SPID or CNS credentials

With the “*Mobile Inps Press Office*”, available for smartphones and tablets, users receive press releases and news on mobile devices, keeping them constantly updated on the Institute's real-time communications.

INPS-INAIL Multi-channel Contact Center

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

Bilingual operators provide information in foreign languages: German, English, French, Arabic, Polish, Spanish and Russian. If a customer needs a consultation with expert officers, the operator will book an appointment at the competent territorial office.

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

Two-way communication with companies

Companies, self-employed workers and their intermediaries, the employers of domestic workers have a customized channel of contact with the Institute: the Social Security contribution record (*Cassetto previdenziale*), available on the INPS web portal, provides for an effective channel for expert consulting, which, as a result, improves the quality of service. It provides for the possibility to access the INPS database, providing, in real time, a summary of the social security information.

PRODUCTION PERFORMANCE ANALYSIS 2020

Gross production volume and the Productivity index

The productivity index, that measures the relationship between production made and resources used in production areas, on 31st December 2020 is equal to 138.61 homogenized points, on a national level, above the reference parameter (124)⁶.

Backlog index

The backlog index (expressed in days) at the 31st December 2020 is equal to 41 days for the front office and to 155 for the back office⁷.

Service quality index

The quantitative measurement of homogenized production is cross-checked with other qualitative indexes. The results of the different indexes are available on "*Cruscotto Qualità*", a quality dashboard where each production structure is constantly monitored in terms of achieved quality level in connection with the efficiency, effectiveness and cost-effectiveness objectives. The synthetic quality index, related to the production areas, shows for 2020, an improvement of 11.81% (national average) in the service quality, in comparison with the previous year⁸.

Data collection on "customer experience"

A survey about Customer Experience has been carried out during 2020 via the administration of a questionnaire, aiming to assess the quality perceived by

⁶ Source: "Piano Budget" Procedure 2020

⁷ Source: "Piano Budget" Procedure 2020

⁸ Source: Directional Dash board (Cruscotto Direzionale) 2020.

the users alongside the reputational image of the Institute. The survey had also a specific focus on the services that the Institute disposed for dealing with the Covid 19 emergency. The survey identified four macro-factors, each one representing a respective field of investigation on which is possible to set the analysis of the responses: the analysis rose four synthetic indexes with a 1 to 5 scale and defined the overall opinion on the Institute.

Cost-effectiveness

The cost-effectiveness of managing activity is monitored with an articulated series of indicators that relate the economic resources used with the production carried out and the human resources employed; these indicators are fundamental for assessing the consistency of economic management with respect to the results achieved.

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

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

B. BENEFITS

a) Changes made during the reference period

Social security cost

The expenditure for benefits managed by INPS for the year 2020⁹ amounted to 359.5 billion Euro, of which 269.1 billion for pension benefits, 31.7 billion assigned to social inclusion (social allowance and pensions, civil disability benefits, citizenship income and pension and emergency income), 32.3 billion for income support and 26.5 billion for others benefits.

Each month INPS pays overall 20.8 million pensions for about 16 million beneficiaries, of which 7.7 million (48%) men and 8.3 million (52%) women. INPS pays both social security pensions (invalidity, old age, and survivors' pension – IVS) and welfare-based benefits. Social security pensions are 16.8 million (equal to 80.9% of all the benefits paid). Their basis are the mandatory insurance and contributions paid by employees and employers, who mainly finance these benefits.

Welfare-based benefits (social allowance and pensions and civil invalidity benefits) are about 4 million, equal to 19.1% of the total benefits, and they are not based on mandatory insurance, but they are on State charge.

The pension income distribution, by income brackets, shows that 31.9% of beneficiaries (nearly 5 million), receiving on average one or more pensions which gross amount is about € 546 per month, absorbs about 11.7% of the total annual expenditure, for more than 35 billion Euro. The 9.7%, equal to 1.5 million, receives an average pension amount lower than € 500.

About 3.4 million of pensioners, equal to 22% of the total, receive monthly pension amounts between € 1,000 and € 1,500 and absorb about 16.9% of the annual pension expenditure (51 billion Euro), while an additional 18.5%

⁹ Source: INPS – 2020 Final balance-sheet

of beneficiaries (about 2.9 million of pensioners) receive monthly pension amounts between € 1,500 and € 2,000, which is equal to 19.8% of the total expenditure.

About 18.9% (equal to 2.9 million) of beneficiaries receives a benefit gross amount between € 2,000 and € 3,000, absorbing 28.1% of the total gross expenditure, for a total almost equal to 84.7 billion Euro.

Finally, 1,347,175 beneficiaries, equal to 8.7% of the total INPS pensioners, receive a pension of more than € 3,000 per month (an average of gross € 4,024). These benefits cost yearly 70.5 billion Euro and absorb 23.4% of the total expenditure.

The analysis from a gender perspective shows the concentration of women in lower amount brackets and the progressive reduction of women as the pension amount grows (for pension amount of more than € 3,000 only the 28,4% of beneficiaries are women).

PART II MEDICAL CARE, see *Report of Ministry of Health*

PART III SICKNESS BENEFIT, see *biennial Report on Article 76*

PART IV UNEMPLOYMENT BENEFIT, see *biennial Report on Article 76*

PART V

OLD-AGE BENEFITS

BENEFIT ADJUSTMENT

The Decree of 16th November 2020, issued by the Minister of Economy and Finance, in agreement with the Minister of Labour and Social Policies¹⁰, sets the final adjustment of the pensions for 2020 at **0.5%** (article 1). Consequently, for that year there will be a further adjustment in respect to the provisional one, which was **0.4%**.¹¹ The same Decree sets the provisional adjustment of the pensions for 2021 at **0.0%** (article 2).

Benefits	Monthly amounts 2020	Monthly amounts 2020	Monthly amounts 2021
	€ <i>Provisional Values</i>	€ <i>Final Values</i>	€ <i>Provisional Values</i>
Minimum pension (TM)*	515.07	515.58	515.58
Additional Income Supplement (**)	136.44	136.44	136.44
Minimum pension + Additional Income Supplement	651.51	652.02	652.02
Annuity	293.60	293.90	293.90
Social Pension	378.95	379.33	379.33
Social Allowance	459.83	460.28	460.28

* TM: *Trattamento Minimo/Minimum pension*

** *Unchanged since 1° January 2008*

According to Article 1, paragraph 260, of the Budget Law for 2019, n. 145/2018, which introduced a new mechanism of pensions adjustment for the three-year period 2019-2021, the pension adjustment for 2020 and 2021 is the following:

¹⁰ Published in the Official Journal - General Series - No. 292 of 24th November 2020

¹¹ The value set by the Decree 15th November 2019, published on the Official Journal - General Series - 278 of 27th November 2019

PENSION ADJUSTMENT
2020 final value and 2021 provisional value

As from	Benefit amount brackets	% of adjustment to be applied in relation to the benefit amount bracket	Adjustment applied	Benefit amounts		
				From	to	Guaranteed amount
01/01/2020 and 01/01/2021	Up to 4 times the TM*	100%	0.500%	-	2,052.04	
	Guaranteed bracket **	Guaranteed amount		2,052.05	2,054.39	2,062.30
	over 4 up to 5 times the TM*	77%	0.385 %	2,052.05	2,565.05	
	Guaranteed bracket **	Guaranteed amount		2,565.06	2,568.24	2,574.92
	over 5 up to 6 times the TM*	52%	0.260 %	2,565.06	3,078.06	
	Guaranteed bracket **	Guaranteed amount		3,078.07	3,078.82	3,086.06
	over 6 up to 8 times the TM*	47%	0.235 %	3,078.07	4,104.08	
	Guaranteed bracket **	Guaranteed amount		4,104.09	4,104.48	4,113.72
	over 8 up to 9 times the TM*	45%	0.225 %	4,104.09	4,617.09	
	Guaranteed bracket **	Guaranteed amount		4, 617.10	4,618.23	4,627.47
	over 9 times the TM*	40%	0.200%	4, 617.10	-	

* TM (Trattamento Minimo): the minimum pension

** The guaranteed brackets applied when, after calculating the adjustment with the relevant bracket percentage, the resulting amount is lower than the adjusted amount of the previous bracket.

Differently, for the pensions to which apply the benefits referred to in Law no. 206/2004, and subsequent modifications, (victims of terrorism and of the terroristic massacres) the adjustment is modulated as follows:

As from	Benefit amount brackets	% of adjustment to be applied in relation to the benefit amount bracket	Adjustment applied	Benefit amounts	
				from	To
01/01/2020 and 01/01/2021	Up to 3 times the TM*	100 %	1.2500 %	-	1,546.74
	over 3 up to 5 times the TM*	90 %	1.1250 %	1,546.75	2,577.90
	over 5 times the TM*	75 %	0.9375 %	2,577.91	Any

* TM (Trattamento Minimo): the minimum pension

Reduction of the pensions, whose overall annual gross amount exceeds 100,200 € for 2021

(Art. 1, paragraphs from 261 to 268, Law No. 145 of 30th December 2018, 2019 State Budget Law).

The State Budget law for 2019¹² set out that, starting from 1st January 2019, direct pensions on charge of:

- the Employee Pension Fund (FPLD)
- the Special Schemes for self-employed workers
- the Pension Schemes replacing, excluding and integrating the General Mandatory Insurance (AGO)
- the Separate Scheme (Gestione Separata)¹³

whose overall annual gross amounts exceed € 100,000.

For 2021 this overall amount adjusted is equal to € 100,200 and it is reduced by applying the following percentage rates:

2021

From €	To €	% of reduction
0,00	100,200.00	None
100,200.01	130,260.00	15%
130,260.01	200,400.00	25%
200,400.01	350,700.00	30%
350,700.01	501,000.00	35%
501,000.01	-	40%

¹² Art. 1, paragraph 261, Law no. 145/2018.

¹³ Referred to in art. 2, paragraph 26, Law 8 August 1995, no. 335.

Determination of the overall pension amounts to be considered for the application of the reduction

The gross annual amounts of all direct pensions, including pension supplements and supplementary pensions, are taken into account for the application of the reduction. Gross amounts of pensions deriving from accumulation and totalization are also taken into account, but only if there are no contributions paid in one or more Professional Funds.¹⁴

Instead, the amounts deriving from the following pension benefits do not contribute to the determination of the overall pension amounts:

- disability pensions on charge of the scheme excluding the AGO (General Mandatory Insurance):
 - privileged pensions dependent on a work-related illness;
 - ordinary disability pensions, granted after employment cessation for
 - illness that is not work-related;
 - total and permanent incapacity to perform any profitable work and any tasks;
 - total and permanent incapacity to any work activity;
- specific disability pensions granted to workers registered with funds replacing the AGO;
- ordinary disability allowance and invalidity pension;
- indirect pensions (death of the insured worker) and survivors' pensions (death of the pensioner);
pensions granted to people hurt or killed while they were on duty or victims of terrorism

To what amounts the reduction applies

The reduction applies, in the percentages indicated, to the pension quota with at least one contribution falling under the earning-related calculation system. Therefore, the reduction does not apply to the pension quota falling under the

¹⁴ This is because the funds interested by the reduction must be mandatory, pursuant to art. 1, paragraph 261, law 145/2015

contribution-related calculation system.

The reduction does not apply if there is even a single period paid in the Professional Funds, regardless of the calculation system adopted for the determination of the pension quota on charge of each funds involved in the accumulation or totalization of insurance periods.

Law references

- Law No. 335 of 8th August 1995
- Law Decree No. 78 of 31st May 2010, converted with amendments into Law No. 122 of 30th July 2010
- 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 Article 24, paragraph 25 of Law Decree No. 201 of 6th December 2011, converted with amendments into Article 1, paragraph 1 of Law No. 214 of 22nd December 2011)
- Law Decree No. 65 of 21st May 2015 converted into Law No. 109 of 17th July 2015
- Law No. 115 of 29th July 2015
- Law No. 208 of 28th December 2015 (Financial Stability Law)
- Law No. 76 of 20th May 2016
- Law No. 232 of 11th December 2016, "Provisional State Budget for financial year 2017 and multiannual Budget for the three-year period 2017-2019"
- Law No. 81, 22/5/2017, "Measures for protection of non-entrepreneurial self-employment and measures to encourage flexibility as to time and place of employment"
- D.P.C.M. (Decree of Government) n. 87 of 23/5/2017, "Regulation for the implementation of Article 1, paragraphs 199 to 205, of Law No. 232, 11/12/2016, n. regarding the reduction of the contribution requirement for the retirement of "early workers"
- D.P.C.M. (Decree of Government) n. 88 of 23/5/2017, "Regulation for the implementation of Article 1, paragraphs 179 to 186, of Law 232 of 11/ 2016, social A.P.E."
- Law No. 205 of 27 December 2017, "Provisional State Budget for

financial year 2018 *and multiannual Budget for the three-year period 2018-2020*"

- D.M. 18 April 2018, "Definition of the procedures for submitting pension applications, for the purposes of applying the benefit referred to in Article 1, paragraphs 147 and 148, of the Law No. 205 of 27 December 2017, and verification of the existence of the requisites by the social security institution"
- Law No. 145 of 30th December 2018, "State Budget for the 2019 financial year and multiannual budget for the 2019-2021 three-year period"
- Law Decree No. 4 of 28th January 2019, as converted by Law No. 26 of 28th March 2019, "Urgent provisions on citizenship basic income and citizenship basic pension"

Law Decree No. 101/2019, converted with amendments by Law No. 128 of 2nd November 2019, containing "Urgent provisions for the protection of work and for the resolution of enterprise crises".

- Decree of 5th November 2019 issued by the Ministry of Economy and Finance, in agreement with the Ministry of Labor and Social Policies, containing provisions on the "adjustment of the pension requirements to the increase in life expectancy, starting from 1st January 2021"
- Decree of 15th November 2019, issued by the Minister of Economy and Finance, in agreement with the Minister of Labor and Social Policies on "the value of the percentage change, subject to adjustment, for the calculation of the increase in the pensions adjustment due for 2019, with effect from 1st January 2020, as well as the final value of the percentage change to be considered for 2018, with effect from 1st January 2019"
- Law No. 160 of 27th December 2019, "State Budget for the 2020 financial year and multiannual budget for the three-year period 2020-2022"
- Decree of November 16, 2020, issued by the Minister of Economy and Finance, in agreement with the Minister of Labor and Social Policies on: "Automatic equalization of pensions with effect from January 1, 2021, as well as the value of the percentage change - year 2020 and final value of the percentage change - year 2019"
- Law 30 December 2020, n. 178, containing "State budget for the financial year 2021 and multi-year budget for the three-year period 2021-2023"

a) Changes made during the reference periods

Pension "safeguard" measures - The ninth "safeguard"

(Article 1, paragraphs 346-348, Law 30th December 2020, no. 178)

The so-called "Pension Safeguard" measures allowed particular groups of workers - who were put out of the labor market and close to the pension (both early retirement and old-age pension) but not yet entitled to it - to retire with the age and contribution requirements in force before the changes introduced by the Law No. 214/2011, which increased them (the so called Monti-Fornero Reform).

The "safeguard" measures, eight in total so far, introduced by previous laws, have been reported in the Reports submitted by Italy until the period from June 2016 to July 2017.

The paragraphs 346-348, article 1 of the Law 30th December 2020, no. 178 (Budget Law 2021) introduce the ninth safeguard measure addressed to 2,400 workers, who fall under the following cases:

- workers who, before 4th December 2011, were authorized to the payment of voluntary contributions and who have at least one voluntary contribution credited as of 6th December 2011. In the absence of the latter, at least one credited contribution deriving from working activity in the period between 1st January 2007 and 30th November 2013, provided that as of 30th November 2013 they were not performing working activity due to an open-ended employment relationship.
- workers who ceased the working activity as a result of individual agreements or collective redundancy incentive agreements stipulated, before 31st December 2011, by the trade unions comparatively more representative at national level. Or workers who ceased the working activity as a result of voluntary resignations or dismissals in the period between 1st January 2007 and 31st December 2011;
- workers who, in 2011, were on leave for caring severely disabled children;

- workers with a fixed-term employment contract and precarious workers with a fixed-term contract, who ceased working between 1st January 2007 and 31st December 2011, and not re-employed with an open-ended contract. Agricultural workers and seasonal workers are excluded from this case.

For all the above mentioned workers the pension starting-date will be within **6th January 2022**.

To benefit from this measure, the interested workers must submit the application, under penalty of forfeiture, within 60 days from the entry into force of the law (from 1st January 2021 and by 2nd March 2021).

Redemption of periods not covered by work insurance

(Article 20, paragraphs 1-5, Legislative Decree no. 4 of 28 January 2019, converted with amendments into Law no. 26 of 28 March 2019)

This option, introduced on an experimental basis for the **three-year period 2019-2021**, consists in the possibility of paying back uncovered periods until a maximum of five years. This period had not to be subject to contribution obligation neither covered by contribution paid or credited in any of the compulsory social security schemes.

Entitled workers

Article 20, paragraphs from 1 to 5, of the Law Decree 4/2019, established that periods not covered by work insurance can be redeemed by workers registered with:

- General Compulsory Insurance (AGO) for old-age, disability and survivors’;
- Funds replacing or excluding the AGO;
- special schemes for self-employed;
- Separate Scheme (Gestione separata)¹⁵.

¹⁵ Referred to in article 2, paragraph 26, of law no. 335/1995.

Requirements and qualification for retirement purposes

It is a precondition that workers do not have any contribution credited before 31st December 1995 (to whom the contribution-related calculation system only applies) and are not retired.

The uncovered periods cannot exceed a total of five years, not necessarily consecutives. These periods will qualify workers for the pension entitlement and affect the pension amount. The periods must be placed after 31st December 1995 and contained between the years of the first and the last contribution (mandatory, notional, redemption) credited in the insurance schemes mentioned in the "Workers who can redeem" section. In any case, the periods subject to redemption must be prior to 29th January 2019, date of entry into force of the relevant decree.

The first and last contribution, between which the uncovered periods must be contained, shall not necessarily be paid or credited in the same scheme in which one intends to exercise the option of paying back.

It is necessary, instead, that the periods in question are not covered by any contributions (compulsory, notional, voluntary) not only in the scheme in which one intends to exercise the option of paying back, but also in any other compulsory social security scheme, including Funds for professionals, social security schemes under European Regulations or social security schemes under bilateral agreements.

Finally, only periods not subject to contribution obligation can be paid back. Therefore, this option cannot be exercised to cover working periods, for which contributions have not been paid. For the latter ones, there are the contributory regularization (non-prescribed contributions) or the annuity constitution (prescribed contributions) options.

The burden measure of the redemption of uncovered periods

Under article 20, paragraphs from 1 to 5, of the Law Decree 4/2019, the paid-back periods must fall under the contribution-related calculation system. Therefore, the burden measure is determined according to the percentage

calculation¹⁶ method, by applying the contribution rate in force at the date in which the redemption application has been submitted in the concerned scheme.

The calculation basis of the burden is the remuneration subject to contributions of the twelve months closest to the date of the application. This remuneration is proportionally assigned, by measure and duration, to the paid-back periods.

Application submission and payment

The workers concerned, their survivors or relatives up to the second degree can apply for the redemption of uncovered periods. Private-sector employers can also apply for their workers, by allocating, for this purpose, the amount of production bonuses due to the workers.

The burden can be paid on lump sum or in monthly installments (max. 120) without interests. Each installment shall not be less than 30 euros.

The payment by installments cannot be granted if the contributions to be paid back must be used for the immediate payment of a direct or indirect pension or if they are decisive to admit an application for voluntary payment permission. Whether these situations occur in the course of already granted payment by installments, the remaining amount shall be paid on lump sum.

A different method to calculate the burden for the redemption of university periods

(Article 20, paragraph 6, Legislative Decree no. 4 of 28 January 2019, converted with amendments into Law no. 26 of 28 March 2019)

Article 20, paragraph 6, of Legislative Decree no. 4/2019 introduced a different and alternative method to calculate the burden for the redemption of university periods referred to in article 2, legislative decree 184/1997. The different method applies to the redemption applications, which concern

¹⁶ As per article 2, paragraph 5, Legislative Decree no. 184 of 30 April 1997.

periods falling under the contribution-related calculation system.

In this case, the burden is calculated by considering the minimum income¹⁷ of artisans and traders, in force in the year of the application submission, and on the basis of the calculation rate of pension benefits in force, in the same period, in the Employees' Pension Fund (FPLD).

Bilateral Solidarity Funds

(Art. 22, paragraph 3, Legislative Decree no. 4 of 28 January 2019, converted with amendments into Law no. 26 of 28 March 2019)

Article 22, paragraph 3, of the Legislative Decree n. 4/2019 established that the bilateral solidarity funds¹⁸ provide for the payment of the burdens related to redeemable or cumulable periods, placed before the date of access to the funds themselves, which qualify the workers for early retirement and old-age pension.

The burdens corresponding to the paid-back periods are paid to the aforementioned funds by the employers and constitute a specific source of financing with a destination reserved for the purposes referred to in the provision in question. The employers affected by the provision in question will therefore be able to activate all the possible typologies of redemption and cumulation provided by law, qualifying for the early retirement or the old age pension, on the basis of the employees' social security position. This action allows workers to access the extraordinary income support benefit, granted to those who are entitled to it as part of the facilitation processes to early retire (esodo).

¹⁷ The minimum income for the purposes of calculating social security contributions.

¹⁸ Legislative Decree 14 September 2015, n. 148

OLD-AGE PENSION (PENSIONE DI VECCHIAIA)

Old-age pension is social security economic benefit paid, on request, to employees and self-employed, registered for General Mandatory Insurance (AGO), or in other Pension Schemes replacing, excluding and integrating the AGO, as well as in the Separate Scheme as stated by Law No. 335/1995.

Age requirement

As provided by Article 12, paragraphs 12-bis and 12-quater, of the Law Decree No. 78 of 31st May 2010, converted with amendments by Law 122 of 30th July 2010, and subsequent modifications and integrations, the age requirements are the following.

Employees registered with the General Compulsory Insurance (AGO) and with Pension Schemes replacing and excluding the AGO and workers registered with the Separate Scheme (Gestione Separata):

Age requirement	
from 1 st January 2019 to 31 st December 2020	67 years**
from 1 st January 2021 to 31 st December 2022	67 years
from 1 st January 2023	67 years*

(*) Requirement to be adjusted to the life expectancy, as stated by Article 12 of the Law Decree of 31st May 2010, No. 78 converted, with modifications, into Law No. 122/2010.

****With reference to the observations made by the Committee of Ministers about the compliance with Article 26(2) of the Code (Increased pensionable age beyond 65 years), which allows for such increase of the pensionable age beyond the age of 65 only if the number of residents having attained that age is not less than 10% of the number of residents between 15 and 64 years of age, we report the following table:**

Resident population by age groups (Source ISTAT)

Age groups (years old)	Resident population at the date of				
	01/01/2016	01/01/2017	01/01/2018	01/01/2019	01/01/2020
15-66	40,468,848	40,295,517	40,146,540	39,635,717	39,477,916
67 +	11,914,844	12,111,344	12,257,257	12,309,069	12,436,018
Percentage 67+/15-66	29.4%	30.1%	30.5%	31.1%	31.5%

Contribution requirement for old-age pension

1. Workers with contributions accrued before 31st December 1995:

At least **20* years of contribution** (1040 weeks), with any kind of contributions paid or accrued.

2. Workers with first contribution paid as from 1st January 1996:

- At least **20* years of contribution**, with the age requirement as reported in the table above, provided that the 2021 pension amount is not lower than € 690.42, namely 1.5 times the social allowance amount for 2021 (€ 460.28, the so-called threshold amount);
- Otherwise with at least 5 years of contributions, regardless of the amount of the pension, at the age of 71. It is important to point out that the 5 contribution years requirement refers only to the contribution effectively paid (compulsory, voluntary, redemption contribution) excluding every deemed contribution.

***With reference to the observations made by the Committee of Ministers about the compliance with Article 29(2)(a) of the Code (Entitlement to a reduced benefit having satisfied the age requirement for the old-age pension and having paid 15 years of**

contribution), we specify that the Italian Government is evaluating the approval of a possible provision on the compliance with the Article in question. Currently, we confirm what already said in the previous five-years period Report of Italy in 2016, which we entirely report below:

"In this regard it is confirmed that the current national legislation on pensions (Law No. 214/2011), provides for a minimum 20 years of contribution (1040 weeks) in order to be entitled to old-age pension.

*In derogation from the Law No. 214/2011, shall continue to apply the provisions of art. 2, § 3, of Legislative Decree No. 503/1992 which provide more favorable condition for "discontinuous worker". Such worker may retire with 15 years of contribution, provided that they have 25 years of insurance history (anzianità contributiva), i.e.: worker must have accrued first contribution at least 25 years before retirement and have at least 10 years with less than 52 accrued contribution. Besides 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 pension amount. (**71 years of age as from 2020)*

It is 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 assistance benefits)".

Old-age pension for workers employed in the sectors of defense, safety and public aid

(Article 2, Legislative decree no. 165 of 30th April 1997)

Workers employed in the sectors of defense, safety and public aid, namely

personnel of Police Forces and penitentiary administration Department, personnel of Armed Forces including *Carabinieri* Corps, the national Fire Corps and *Guardia di Finanza* Corps (a specific corps for financial crimes).

Age and contribution requirement

The age requirement for the old-age pension varies in connection with the workers' grade, order and qualification. The Decree of 5 November 2019 of the Ministry of Economy and Finance, in agreement with the Ministry of Labor and Social Policies, has not increased the age requirement until December 2022.

Defense, safety and public aid sector	
from 1 st January 2019 to 31 st December 2022	between 60 and 65 years ¹⁹

The minimum contribution requirement is 20 years, the same one required for all workers.

Old-age pension for workers registered with the Entertainment industry Pension Fund (*Fondo Pensione Lavoratori dello Spettacolo-FPLS*) and with the Professional Sportsmen Pension Fund (*Fondo Pensione Sportivi Professionisti-FPSP*)

(D.L.C.P.S. (Legislative Decree Of The Provisional Head Of The State) n. 708/1947 – D.P.R. (Decree of the President of the Republic) 1420/1971 – Legislative Decrees no.166 and 182 of 30th April 1997 n. 166 e n. 182 – D.P.R. no. 157/2013)
(Decree 5th November 2019 of the Ministry of Economy and Finance in agreement with the Ministry of Labour and Social Policies)

The Decree of 5th November 2019 of the Ministry of Economy and Finance in agreement with the Ministry of Labour and Social Policies, does not increase the age requirement for old-age pension until December 2021, also for workers registered with the Entertainment industry Pension Fund (FPLS) and with the Professional Sports' Pension Fund (FPSP).

Entertainment Industry's Workers

¹⁹ In connection with the workers' grade, order and qualification

Given the minimum contribution requirement of 20 years, the same of the generality of workers, the age requirement varies according to the specific task performed by the worker.

Workers with contributions paid before 31st December 1995

The age requirement for these workers, according to the specific tasks they performed, is reported in the following table:

Requirements 2021		
Group	Age Men	Age Women
Dancers	47 yers	47 yers
Singers, Opera singers, Orchestra musicians	62 yers	61 yers
Actors, Anchormen, Directors of orchestra, background acting and fashion	65 yers	64 yers
Entertainment industry craftsmen, film directors, producers, technicians, band members*	67 yers	67 yers
For the remaining workers registered with the Employees' Pension Fund**	67 yers	67 yers

* *fixed-term employment contract workers.*

** *Open-ended employment contract workers.*

For Dancers, Singers, Opera singers, Musicians, Actors, Anchormen, Directors of orchestra, background acting and fashion, in view of granting the pension benefit paid by the Fund the working activity subject to contributions must be performed in the entertainment field.

Workers with first contribution paid as from 1st January 1996

in presence of at least 20 years of contributions and of the following age requirement:

Period	Age Men	Age Women
from 1 st January 2019 to 31 st December 2021	67 years	67 years

provided that the 2021 pension amount is not lower than € 690.42, namely 1.5 times the 2021 social allowance amount (€ 460.28, the so-called threshold amount);

Otherwise, with at least 5 years of contributions, regardless of the amount of

the pension, at the age of 71.

For dancers, in the contribution-related system, the age requirement for old-age pension is the same required by the mixed system (the system related to workers with contributions paid before 31st December as a dancer 1995), that is 47 years of age both for men and women and 20 years of contributions, of which at least 2.400 daily contributions must have been paid for the specific working activity as a dancer.

Professional sportsmen

(Law no. 366 of 14th June 1973 – Law no.91/1981 – Legislative Decree no.166/1997 – D.P.R. no. 157/2013)

Professional sportsmen are "athletes, coaches, technical-sports directors and athletic trainers, who carry out sports activities for consideration, on an ongoing basis, within the disciplines regulated by the C.O.N.I.²⁰. They are qualified as professionals by the national sports federations, according to the rules issued by the federations themselves, in compliance with the directives set out by C.O.N.I. for the distinction between amateur and professional activity"²¹.

Workers with contributions paid before 31st December 1995

20 years of contributions, of which 5,200 daily contributions must have been paid for the specific activity of professional sportsmen, and the following age requirement:

Year	Age men	Age women
2021	54 years	53 years

Workers with first contribution paid as from 1st January 1996

At least 20 years of contributions and 67 years of age both for men and women provided that the 2021 pension amount is not lower than € 690.42, namely 1.5 times the 2021 social allowance amount (€ 460.28, the so-called threshold amount);

²⁰ Italian National Olympic Committee (Comitato Olimpico Nazionale Italiano – CONI)

²¹ Law no. 91 of 23rd March 1981.

Otherwise, with at least 5 years of contributions, regardless of the amount of the pension, at the age of 71.

Article 1, paragraph 374, letter c) of the Law no. 205/2017, which amends article 3, paragraph 8, of the Legislative Decree no. 166/1997, sets out that workers registered with the Professional Sportsmen pension fund (FPSP), who are insured starting from 1st January 1996, given the specific nature of their activity, can add one year to their age every four years of working activity performed as professional sportsmen, to qualify for the old-age benefits under the contribution-related system. This is possible up to a maximum of five years.

Pensions under totalization scheme

(Legislative Decree no. 42/2006)

Old-age pension	
Year	Age requirement
Up to 31 st December 2022	66 years
From 1 st January 2023	66 years*

** Requirement to be adjusted to the life expectancy, as stated by Article 12 of the Law Decree of 31st May 2010, No. 78 converted, with modifications, into Law No. 122/2010.*

Workers can benefit from the old-age pension under totalisation scheme, after 18 months since they qualified (so called “finestra mobile”²², that is a deferred retirement).

EARLY RETIREMENT BENEFIT (PENSIONE ANTICIPATA)

Early retirement benefit is social security economic benefit paid, on request, to employees and self-employed workers, registered with General Compulsory Insurance (AGO), or in other Pension Schemes replacing, excluding and integrating the AGO, as well as with the Separate Scheme, as stated by Law No. 335/1995. Work cessation is required for employees but not for self-

²² Article 12, paragraph 3, Decree Law no. 78/2010, converted with amendments by law no. 122/2010.

employed workers.

Waiver of life expectancy increase to the contribution requirement and starting date modification

(Article 15, Law Decree No. 4 of 28th January 2019)

Article 15 of Legislative Decree No. 4 of 28th January 2019²³, replacing paragraph 10 of Article 24 of Legislative Decree No. 201 of 6th December 2011²⁴, set out the waiver of life expectancy increase to the contribution requirement for early retirement pension until 31st December 2026. The same article introduced, as well, new provision on the early retirement pension starting dates. According to these new provisions, workers are entitled to retire with 3 months deferral, after satisfying the contribution requirement (so called *finestra*).

Workers insured before 31st December 1995

Workers with insurance contribution before 31st December of 1995, are entitled to early retirement pension if they satisfy the following contribution qualifying condition:

YEARS OF CONTRIBUTION		
PERIOD	MEN	WOMEN
From 1 st January 2019 to 31 st December 2026	42 years+10 months	41 years+10 months

Workers insured starting from 1st January 1996

a) according to the contribution requirement only:

YEARS OF CONTRIBUTION		
PERIOD	MEN	WOMEN
From 1 st January 2019 to 31 st December 2026	42 years, 10 months	41 years, 10 months

To satisfy the contribution qualifying condition, any kind of paid or accrued

²³ Converted with modifications, by law no. 26 of 28th March 2019.

²⁴ Converted, with modifications, by Law No. 214 of 22nd December 2011.

contribution can be considered, except for voluntary contribution. 1.5 multiplies working periods performed before the 18 years of age.

Or

b) according to the age and contribution requirement:

By satisfying an age requirement of 64 years (to be adjusted to life expectancy increase from 1st January 2023), provided that at least 20 years of contribution have been effectively paid* and the monthly amount of the first pension payment for 2021 is not lower than € 1,288.78 per month (2.8 times the monthly amount of the 2021 social allowance (€ 460.28).

**without considering periods of deemed contribution*

To be entitled to the benefit, employed worker must cease every employment activity. However, it is not required the self-employed activity cessation.

Early retirement benefit for workers employed in the sectors of defense, safety and public aid

(Art. 6, Legislative Decree no. 165 of 30th April 1997)

Age and contribution requirements

1. Upon reaching, in 2021, 41 years of contribution²⁵, regardless of the age;
2. upon reaching at least 35 years of contribution with a minimum age of 58 years in 2021;
3. upon reaching the maximum period of contribution (corresponding at the rate of 80%) with at least 54 years of age in 2021. This option has been overcome by the introduction of the contribution-related calculation system also for contributions paid as from 2012, unless the above cited rate of 80% has been already reached on 31st December of 2011.

For personnel entitled to early retirement benefit according to paragraphs 2)

²⁵ In the case of retirement according to this requirement, the provisions of art. 18, co. 22-ter of Legislative Decree July 6, 2011, n. 98, converted by Law 15 July 2011, n. 11 (further three months deferral in addition to the twelve months deferral (so called *finestra mobile*) continues to apply.

and 3), 12 months of deferral, with respect of when they have reached the pension qualifying conditions, will continue to apply. If worker qualify with qualifying conditions according to paragraph 1), the deferral will be of 15 months.

Early retirement benefit for workers registered with the Entertainment industry Pension Fund (*Fondo Pensione Lavoratori dello Spettacolo-FPLS*) and with the Professional Sportsmen Pension Fund (*Fondo Pensione Sportivi Professionisti-FPSP*)

For dancers and professional sportsmen registered with their specific funds before 31st December 1995, there is no early retirement benefit.

The other groups of these workers, registered with their specific funds both before 31st December 1995 and from 1st January 1996, are entitled to the early retirement benefit upon having satisfied the qualifying conditions provided for the generality of employees.

For Dancers, Singers, Opera singers, Musicians, Actors, Anchormen, Directors of orchestra, background acting and fashion, the working activity subject to contributions, in view of granting the early retirement benefit paid by the Fund, must refer to work performed in the entertainment field.

For the early retirement benefit of workers registered with Professional Sportsmen pension fund (FPSP), applies Article 1, paragraph 374, letter c), of law no. 205/2017, that amends article 3, paragraph 8, of Legislative Decree no. 166/1997 (see old-age pension section).

Seniority pension under totalization scheme

(Legislative Decree no. 42/2006)

Seniority pension	
Year	Contribution requirement
untill 31 st December 2022	41 year
from 1 st January 2023	41 year*

* Requirement to be adjusted to the life expectancy, as stated by Article 12 of the Law Decree of 31st May 2010, No. 78 converted, with modifications, into Law No. 122/2010.

Workers can benefit from the seniority pension under totalisation scheme,

after 18 months since they qualified (so called "finestra mobile"²⁶, that is a deferred retirement) to which, as from 2014, 3 further months shall be added according to article 18, paragraph 22-ter of Decree Law no. 98/2011, converted by law 111/2011

Early retirement benefit for special categories of workers

Early insured workers – so called "*lavoratori precoci*"

Article 1, paragraphs 199-205, Budget Law for 2017, No. 232/2016)
(Article 1, paragraph 162 let. f), g) e i), 163, 164, 165 (Annex. 1) Budget Law No. 205/2017 for 2018) to modify Articles 1, paragraph 199, letters b), d) - 205, of Law No. 232 of 2016 (Budget Law for 2017).
(Article 17 Law Decree No. 4 of 28th January 2019)

According to the article 1, paragraph 199, Law No. 232 of 11th December 2016, "early workers" are workers who have at least one year of effectively paid contribution before 19 years of age. These workers are entitled to the early retirement pension with a contribution requirement of 41 years (from 1st January 2019), regardless of the age.

Article 17 of the Law Decree No. 4 of 28th January 2019²⁷ stated that this contribution requirement shall not be adjusted according to life expectancy increase up to 31st December 2026.

Year	Contribution requirement
Starting date	
from 1 st January 2021 to 31 st December 2026	41 years (2132 weeks)
from 1 st January 2027	41 years* (2132 weeks)

* Requirement to be adjusted to the life expectancy, as stated by Article 12 of the Law Decree of 31st May 2010, No. 78 converted, with modifications, into Law No. 122/2010.

Beneficiaries

Workers registered with the General Compulsory Insurance Scheme (AGO)

²⁶ Article 12, paragraph 3, Decree Law no. 78/2010, converted with amendments by law no. 122/2010.

²⁷ Converted, with amendments, by Law no. 26/2019

and with Pension Fund Schemes replacing and excluding the AGO, with accrued contribution at 31st December 1995.

Requirements

- 41 years of accrued contribution both for men and women, to be adjusted to life expectancy increase as from 1st January 2027;
- At least one year of effectively paid contribution before the age of 19 and in presence of one of the following conditions, stated by the Law:
 - a) being unemployed²⁸. Workers must have stopped receiving social buffers since at least three months;
 - b) being a caregiver at the time of the application and since at least 6 months, of the spouse or for a cohabitant 1st degree relative suffering from severe disability²⁹. As from 1st January 2018, caregiving can be extended to a cohabitant 2nd degree relative, or assimilated person, provided that his/her parents or spouse are 70 years old or they too suffer from disabling diseases or they are dead, or they are missing;
 - c) having a civilian disability³⁰ percentage equal to or more than 74%;
 - d) having been employed since at least 7 years in the last 10 on an ongoing basis, or since at least 6 years in the last 7, in risky or difficult activities among those specifically indicated by law; from 1st January 2018 other activities defined risky or difficult by the law have been added. (From 11 to 15 activities, reported in the annex B to the Budget Law 2018);
 - e) having been employed in arduous tasks³¹ (i.e.: line chain operators, night workers, drivers of vehicles for collective transport with a total capacity of no less than nine seats).

Early retirement benefit for early workers cannot be combined with income deriving from employment or self-employment activity, performed both in Italy and abroad, for the period between this benefit starting date and the date in which, the contribution requirement of the early retirement benefit provided for the generality of workers, will be satisfied.

²⁸ After the employment relationship cessation for dismissal, even collective, lawful dismissal for misconduct or consensual resolution, as per Article 7, Law No. 604 of 15th July 1966.

²⁹ According to article 3, paragraph 3, Law No. 104 of 5th February 1992.

³⁰ As ascertained by the competent medical committees for civilian invalidity.

³¹ According to legislative Decree No. 67 of 21st April 2011 (arduous task, Decree of Ministry of Labor, 19th May 1999).

Starting date

As from 1st January 2019, workers who satisfied the contribution requirement can retire:

- with 3 months deferral, after satisfying the contribution requirement (c.d. finestra) and according to the provisions provided for the scheme which pays the benefit;
- if the contribution requirement has been satisfied by combining insurance periods as per Law No. 228/2012, on the first day of the month following the above-cited 3 months deferral (so called finestra).

Early retirement benefit for workers employed in arduous tasks³² (Mansioni usuranti)

(Article 1, paragraphs 1, 2, and 3 of Legislative Decree No. 67 of 21st of April of 2011)

Public and private sector workers, who have been employed in arduous tasks (provided by law) for at least 7 years in the last 10 or for at least half of their working life, can early retire, benefiting from requirements that are more favorable.

Requirements

A minimum *quorum* of 97.6, given by the sum of the age and contribution requirements, provided that at least 35 years of contributions and an age requirement not lower than 61 years and 7 months have been satisfied. *Quorums*, four in total (97.6 – 98.6 – 99.6 – 100.6), differ according to the typology of the arduous task performed and to the fund, which pays the pension (employees' pension fund, special schemes for self-employed).

Employment cessation is required.

For these workers, the life expectancy adjustments do not apply until 31st December 2026.

³² According to legislative Decree No. 67 of 21st April 2011 (arduous task, Decree of Ministry of Labor, 19th May 1999).

Early retirement benefit only for women (so called “Opzione donna”)

(Article 16 Law Decree No. 4 of 28th January 2019)

(Article. 1, paragraph 476, Law no. 160 of 27th December 2019)

(Article 1, paragraph 336, Law no. 178 of 30th December 2020)

Working women, who, within 31st December 2021, have satisfied a contribution requirement of at least 35 years and a minimum age requirement of 58 years if employees and 59 years if self-employed, can early retire but their pension amount will be calculated by applying the contribution-related calculation system, according to Legislative Decree no. 180 of 30th April 1997. For these workers, the life expectancy adjustments do not apply to age requirement.

Starting date

The pension starting date varies in connection with the worker’s category:

- a) If employee, with 12 months deferral from when the provided requirements have been fulfilled;
- b) If self-employed, with 18 months deferral from when the provided requirements have been fulfilled.

Special typologies of early retirement benefits

APE Sociale - A bridge measure to the old-age pension

(Article 1, paragraphs 179-186, Law n 232/2016)

(Article 18, Law Decree No. 4/2019)

(Article 1, paragraph 473, law no. 160 of 27th December 2019)

(Article 1, paragraphs 339-340, Law no. 178 of 30th December 2020)

It is a measure, introduced on an experimental basis from 1st May 2017, that allows specific categories of workers to anticipate the old age pension upon ascertainment of certain conditions. It is on State charge and, therefore, subject to spending limits.

Article. 1, paragraphs 339-340, Law no. 178 of 30 December 2020 (Budget Law 2021), extended the measure until 31st December 2021 and,

consequently, increased the related budget.

Considering that this measure can be benefited without interruption with the past, also workers, who have fulfilled the requirements³³ in the previous years without submitting the application, can apply for verifying the entitlement to A.Pe. Sociale as well as workers, whose benefit has been withdrawn³⁴, can resubmit the application thereof.

Beneficiaries

Employed and self-employed registered with the General Compulsory Insurance Scheme (AGO) and with schemes excluding or replacing the AGO and self-employed workers registered with Separate Scheme under Article 2, paragraph 26, Law No. 335, 8th August 1995.

Age and contribution requirements:

- 63 years of age and at least 30 years of contribution:

- being unemployed and having finished to receive the unemployment benefit since at least for three months; as from 1st January 2018, also workers, whose unemployment benefit is a consequence of a fixed-term contract employment termination, are included if they had worked at least for 18 months during the 36 months preceding the contract termination, or
- having a civilian invalidity percentage equal to or more than 74%, or,
- being a caregiver, at the time of the application and since at least 6 months, of the spouse or of a cohabitant 1st degree relative suffering from severe disability. As from 1st January 2018, caregiving can be extended to a cohabitant 2nd degree relative, or assimilated person, provided that his/her parents or spouse are 70 years old, or also they suffer from disabling diseases, or they are dead, or they are missing.

- 63 years of age and at least 36 years of contributions:

³³ As per Article 1, paragraphs from 179 to 186, Law No. 232/2016 and subsequent modifications and integrations.
³⁴ I.e.: because they have exceeded the annual income limits.

- having been employed since at least 7 years in the last 10 on an ongoing basis, or since at least 6 years in the last 7, in risky or difficult activities³⁵ among those specifically indicated by law; from 1st January 2018 other activities defined risky or difficult by the law have been added. (From 11 to 15 activities, reported in the annex B to the Budget Law 2018)

Women with children have a reduction of the minimum contribution requirement (30/36 years) equal to 12 months for each child up to a maximum period of 24 months.

The beneficiary of *APE Sociale* must reside in Italy and cease employment, self-employed and para-subordinate activity both in Italy and abroad.

Benefit amount

The benefit is equal to the monthly pension amount calculated at the time of the retirement. However, the amount cannot exceed € 1,500 per month.

The benefit is paid for 12 months per year until the age requirement for old-age pension will be satisfied.

If all the requirements are satisfied, the benefit starts on the first day of the month following the benefit application, upon cessation of employment, self-employed and para-subordinate activity both in Italy and abroad.

The benefit is inconsistent with social safety-net benefits related to involuntary unemployment, lump-sum for termination of trading activity, and it is not granted to direct pension beneficiaries, both in Italy and abroad.

“Quota 100” pension

(Article 14, Law Decree No. 4 of 28th January 2019)

It is an early retirement, as per Article 14 Law Decree No. 4 of 28th January 2019, converted with amendments by law no. 26 of 28th March 2019, introduced on an experimental basis for the three years period 2019-2021.

Beneficiaries

³⁵ as specifically mentioned in the Annex B of 2018, State Budget Law.

Workers registered with:

- General Mandatory Insurance (AGO):
 - o Pension Fund for Employees (FLPD)
 - o Special schemes for artisans, traders, farmers, settlers and sharecroppers
- Funds excluding the AGO;
- Funds replacing the AGO;
- Separate Scheme.

Armed Forces, Police Forces, Financial Police forces (Guardia di Finanza) and Fire Brigade members (Vigili del Fuoco) as well as workers registered with other funds different from the above-cited ones (such as, Clergymen, Journalists, Professionals, etc.) cannot benefit from "Quota 100" pension.

Age and contribution requirements

To be entitled to "Quota 100" pension, workers shall satisfy the following age and contribution requirements in 2021:

- 62 years of age, to which the life expectancy adjustment doesn't apply³⁶;
- 38 years of contributions.

To satisfy the contribution qualifying condition, all contributions, also deemed contributions, can be considered to fulfil the requirement of 38 years, provided that at least 35 of them are effectively paid, namely net of periods of sickness and unemployment.

The contribution requirement can be fulfilled also by cumulating contributions paid in two or more schemes; however, contributions, which have been already given rise to a pension, can no longer be considered.

Termination of the employment relationship is needed to retire with "Quota 100" pension.

³⁶ As per article 12 of the Decree Law no. 78 of 31st May 2010, converted with amendments by Law 30th July 2010, no. 122;

The pension is inconsistent with income deriving from any working activity also performed abroad, excluding income deriving from casual work within the limit of yearly gross € 5,000.

Inconsistency applies in the period between the "Quota 100" pension starting date and the date in which the age requirement for old-age pension, provided for the scheme, which is paying the pension and adjusted according to life expectancy, will be fulfilled.

Periods of work performed abroad - How they are considered for the purposes of the "quota 100" pension

The contribution requirement for the "quota 100" pension can also be fulfilled with the non-overlapping foreign contribution accrued in countries to which the European social security Regulations apply, or in non-EU countries linked to Italy by bilateral security agreements social. In both cases, international totalization applies only if the minimum contribution qualifying condition under European Regulations (52 weeks) or individual bilateral agreement is satisfied. This also applies to contribution period cumulation as per paragraph 2, article 14 of Law Decree no. 4/2019, provided that at least one of the funds in which workers paid contributions is included in the field of application of the European Regulations or bilateral agreements. In case of contributions paid in more funds, periods of work abroad are considered in the fund which applies the more favorable pension calculation, provided that the sum of the contribution periods is not less than 52 weeks, under European Regulations, or less than the minimum period required by the individual bilateral agreement.

Periods of working abroad can be taken into account also if they have been already considered for a foreign pension; but they cannot be taken into account anymore, if the pension, for which they have been already considered, is an Italian pension under international totalization.

Therefore, a foreign pension beneficiary can be entitled to "Quota 100" pension while a beneficiary of Italian pension under international totalization

cannot access it.

"Quota 100" pension starting date

There are different starting dates for employees according to the employers' typology:

- Employees working for private employers;
- Employees working for public administration³⁷.

For self-employed workers the starting dates are equal to those applied for employees working for private employers.

For the workers of the education sector and the High-level artistic, musical and coreutic training sector (AFAM), the pension starting date is, respectively, 1st September and 1st November of the year in which they meet the requirements.

Starting date of "Quota 100" pension Year 2021	
Employees working for private employers Self-employed workers	Employees of public administrations
After 3 months from the requirement fulfillment (deferred retirement, so called "finestra")	After 6 months from the requirement fulfillment (deferred retirement, so called "finestra")

The "Quota 100" pension is no longer prolonged. Therefore, in 2022 only workers, who have completed the necessary requirements within 31st December 2021, can apply.

³⁷ Based on article 1, paragraph 2, of the legislative Decree 30 March 2001, n. 165 Public Administrations means all the administrations of the State, including schools of all levels and educational institutions, companies and administrations of the State with autonomous regulation, Regions, Provinces, Municipalities, Mountain Communities and their consortia and associations, university institutions, the autonomous public housing institutes, the chambers of commerce, industry, crafts and agriculture and their associations, all national, regional and local non-economic public bodies, administrations, companies and institutions of the National Health Service, the Agency for the negotiating representation of Public Administrations (ARAN) and the Agencies referred to in the legislative Decree 30 July 1999, No. 300.

PENSION CALCULATION SYSTEMS

The pension calculation systems are:

1. the **earning-related calculation** system
2. the **contribution-related calculation** system

1. According to **earning-related calculation** system, the pension amount will depend on the medium wages earned during the last working years and the insured worker's insurance history regardless of both the retiree's age and the amount of paid contributions. This calculation system applies to a part of the contribution periods only, namely:

- periods up to 31/12/1995, for workers having on that date less than 18 years of contributions (Dini Reform, Law No. 335/1995);
- periods up to 31/12/2011, for workers having on that date at least 18 years, or more, of contributions (Monti-Fornero Reform, Law Decree no. 201/2011, converted by Law No. 214/2011).

The contribution-related calculation system applies to any other periods; therefore, for workers who fall within the above-described situations applies a **mixed calculation** system (earning-related+contribution-related).

The earning-related calculation system provides for a separate calculation for contributions paid / credited up to 1995 (for individuals with less than 18 years of contributions in 1995) or until 2011 (for individuals with at least 18 years of contributions in 1995), respectively defined as *quota* "A" and "B".

The **earning-related calculation** system formula is the following:

Pensionable Earnings* X (Accrual Rate** X total number of accrued contributions***)

*Average of earnings received in the period immediately preceding the pension starting date. The period extent varies according to the worker's sector and to accrued contributions. The more faraway earnings are adjusted to the value of those regarding the year preceding the pension starting date.

** Percentage applied in order to proportionate the pension amount to the pensionable earnings, which vary according to the pension scheme

*** Number of years, months, weeks, and days of contribution paid / accrued, up to a maximum of 40 years.

2. According to **contribution-related calculation** system, the pension amount will be calculated on the total amount of paid contributions (reviewed yearly on the basis of the five-year average GDP growth rate) timed by an **actuarial coefficient of transformation** which varies according to age at retirement. Therefore, the more you pay, the more you draw; the earlier you retire, the lower the benefit you are granted.

The contribution-related calculation system also provides for a separate calculation for contributions paid / credited from 1996 (for individuals with less than 18 years of contributions to 1995) or from 2012 (for individuals with at least 18 years of contributions to 1995), respectively defined as *quota* "C" and "D".

The **contribution-related calculation** system formula is the following:

Total amount of paid contributions* X Actuarial coefficient of transformation**

*Sum of all paid contributions, annually adjusted at the capitalization rate, on a compound basis. The total amount of contributions is determined by applying, for each year, the calculation rate to the gross wage / income earned in the same year. The resulting amount is set aside; it will be adjusted the following year at the capitalization rate, together with the amounts set aside in the previous years.

**On an increasing basis according to the worker's age upon retirement.

The **Actuarial Coefficients of Transformation** are updated every three years, according to changes in life expectancy.

Actuarial Transformation Coefficients – 2019/2021

AGE	DIVIDER	VALUES
57	23.812	4.200%
58	23.236	4.304%
59	22.654	4.414%
60	22.067	4.532%
61	21.475	4.657%
62	20.878	4.790%
63	20.276	4.932%
64	19.672	5.083%
65	19.064	5.245%

66	18.455	5.419%
67	17.844	5.604%
68	17.231	5.804%
69	16.609	6.021%
70	15.982	6.257%
71	15.353	6.513%

The following table shows the calculation systems applied to workers according to the Dini and Monti-Fornero Reforms.

Pension calculation systems	
Workers with at least 18 years , or more, of contributions at 31st December 1995	Mixed system: earning-related calculation system for periods up to 31st December 2011 , contribution-related calculation system as from 1st January 2012 .
Workers with less than 18 years of contributions at 31st December 1995 .	earning-related calculation system for periods up to 31st December 1995 , contribution-related calculation system as from 1st January 1996 .
Workers with less than 18 years of contributions at 31st December 1995 but with at least 15 years of contributions, of which at least 5 in the contribution-related system.	Option for contribution-related calculation system: these workers can opt for the contribution-related calculation system only.
Workers hired as from 1st January 1996	Contribution-related calculation system only .

With reference to the observations made by the Committee of Ministers about the compliance with Article 28(a), in conjunction with Article 65 of the Code (Calculation of old-age pension - detailed calculations of the old-age pension to which a standard beneficiary is entitled and replacement rate in accordance with Titles I–III of Article 65), see the statistical data of Old-age pension.

Pensions under bilateral agreement on social security

Italy concluded bilateral agreements on social security with the following non-EU foreign states.

Argentina	Republic of Cape Verde
Australia	Republic of Korea
Brazil	Republic of San Marino
Canada e Quebec	Holy See
Israel	United States of America
Channel Islands and Isle of Man	Tunisia
Mexico (only for pension payments in Italy)	Turkey
Former Yugoslavia states ³⁸	Uruguay
Principality of Monaco	Venezuela

In the reference period, as far as bilateral agreements on social security are concerned, following the last round of negotiation between the Italian and Serbian liaison Bodies' delegations, which was held in Belgrade in November 2018, bilingual liaison forms for pension application under the bilateral agreement between Italy and the former Federal People's Republic of Yugoslavia, which also applies to the Serbian Republic, have been finalized jointly by the two Parties. The agreed forms are currently being edited to implement the last modifications about the recognition of *de facto* couples into the Serbian legislation.

Following negotiations with the representatives of the Rome Embassy of the Moldavian Republic, an Agreement between Italy and the Moldavian Republic in matters of transmission of pension claims and pension payment abroad between the Parties' competent institutions was finalized and the ratification procedure is currently ongoing.

Having regard to the bilateral Agreement between Italy and Turkey, which had entered into force as of August 2015, the relevant Administrative Arrangement was agreed upon during the final round of negotiation, held in Rome in January 2019. Bilingual liaison forms concerning the various social security branches (retirement benefits, income support benefits, family

³⁸ Republic of Bosnia and Herzegovina, Republic of Kosovo, Republic of Macedonia, Republic of Montenegro, Republic of Serbia and Vojvodina (autonomous region)

benefits and applicable legislation falling under the material scope of the Agreement) are currently being jointly finalized by the two Parties in view of proceeding to the ratification process.

During the final round of negotiations with the Japanese delegation, held in Rome in March 2019, the two Parties reached an agreement concerning both the text of the Administrative Arrangement and the bilingual liaison forms. To date, the governments of the two countries have not yet exchanged the instruments of ratification preparatory to the entry into force of the Agreement.

In view of resuming negotiations to finalize the bilateral Agreement between Italy and Macedonia the update of the relevant impact analysis, in terms of the financial burden involved, was carried out also in view of determining whether possible savings might be determined as a consequence of the implementation of the new Agreement compared with the impact of the Agreement with the former Yugoslavian Republic that still applies to Macedonia.

The Agreement on UK's withdrawal³⁹ from the EU, entered into force following the Brexit, states that the EU Regulations continue to apply until 31st December 2020 in the matters of pensions, family allowances, unemployment benefits, sickness benefits, maternity/paternity benefits, posted workers, recovery of contributions and of undue benefits, both pension benefits and not, and modalities of exchanging information between Institutions. From 1st January 2021 applies the provisional application⁴⁰ of the Trade and Cooperation Agreement (TCA) under which the Member States and the United Kingdom coordinate their respective

³⁹ Published on the Official Journal of the European Union no. 29 of 31st January 2020.

⁴⁰ While waiting for the TCA to be examined by the European Parliament and the Council before it can be ratified by the European Union, the Parties have agreed to provisionally apply the agreement from 1 January 2021 to 28 February 2021. This deadline has been extended to 30 April 2021 with decision no. 1 of 23 February 2021 of the Partnership Council, established by the TCA, published in the Official Journal of the European Union L 68 of 26 February 2021 (Annex no. 3).

social security systems under the Protocol on social security coordination (PSSC), that is an integral part of the Agreement itself.

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

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

OLD-AGE BENEFITS

STATISTICAL DATA

ART. 27 OF THE CODE

- A. It has been referred to subparagraph (a) of Art. 27
- B. The category of protected persons identified is private sector employees

C. Pursuant to Art.74 - Title I

A.	Number of employees ensured INPS (year 2020) (Source: INPS, Final Budget 2020)	14,208,100
B.	Total number of employees (2020) (Source: ISTAT)	17,746,000
C.	Percentage between number of INPS employees ensured (A) and total employees (B)	80.06%

D. Does not occur

ART. 28 OF THE CODE

Calculation of old-age pension - detailed calculations of the old-age pension to which a standard beneficiary is entitled and replacement rate in accordance with Titles I–III of Article 65 – Observations of the Committee.

A. Pursuant to Art.65 – Title I

A. For the calculation rules, see the relevant section of the old-age pension. For the method of calculating wages, see the dedicated Note at the end of the Report.
In the described cases, paragraph 3 of Art. 65 does not apply

B. Standard worker: third level metal worker of Art. 65, § 6, letter a).
The choice of the standard worker and the determination of the reference wages is explained in the note at the end of the Report.

C. Standard employee Yearly wage for the year 2020 € 33,573.94

1. Yearly wage does not vary in connection to the Region of the worker
2. Does not occur

A. Pursuant to Art.65 – Title III

third level metal worker, married, without children, born on 1/1/1954, who started working on 1/1/1991 and at the age of 67, completed on 1/1/2021, retires with 30 years of contribution.

D. Determination of the old-age pension after 30 years of working activity – mixed system of calculation (see section on calculation systems)

Average weekly wage - quota A	€ 639,72
Average weekly wage - quota B	€ 647,24

		No. of contributions (weeks)	No. of contributions (years)
Pension quota A	€ 102,36	104	2
Pension quota B	€ 155,34	156	3
Pension quota C (from 1996 onwards)	€ 1.154,48	1.300	25
Monthly gross pension	€ 1.412,18	1.560	30

Old-age yearly pension

(including the 13[^] monthly payment)

€ 18.358,34

E.	Sussidi familiari annui su retribuzione - nucleo di 2 persone reddito tra 31.413,04 e 34.902,51 - € 0 x 6mm 1gen-30giu	€ -
	reddito tra 31.413,04 e 34.902,51 - € 0 x 6mm 1lug-31dic	€ -
	(vedi Tabella 1 di seguito)	€ -
F.	Sussidi familiari annui su pensione - nucleo di 2 persone reddito tra 17.453,82 e 20.943,96 - 25,82 x 6mm 1gen-30giu)	€ 154,92
	reddito tra 17.453,82 e 20.943,96 - 25,82 x 6mm 1lug-31dic)	€ 154,92
	(vedi Tabella 1 di seguito)	€ 309,84
G.	Rapporto fra retribuzione e pensione (al lordo degli assegni al nucleo familiare) (D + F) / (C + E)	55,6%

Table 1

FAMILY ALLOWANCE FOR FAMILY WITHOUT CHILDREN (where none of the members is disabled)								
monthly amount related to income and to the number of members in the family (Married couple only or married couple + one brother, sister or nephew/niece)								
Reference household yearly income for the period from 1st July 2020								
Yearly family income €		Allowance amount based on the number of members in the family - €						
		2	3	4	5	6	7+	
Up to		13.963,66	46,48	82,63	118,79	154,94	191,09	227,24
13.963,67	-	17.453,81	36,15	72,30	103,29	144,61	185,92	216,91
17.453,82	-	20.943,96	25,82	56,81	87,80	129,11	180,76	206,58
20.943,97	-	24.432,76	10,33	41,32	72,30	113,62	170,43	196,25
24.432,77	-	27.922,22	-	25,82	56,81	103,29	165,27	185,92
27.922,23	-	31.413,03	-	10,33	41,32	87,80	154,94	175,60
31.413,04	-	34.902,51	-	-	25,82	61,97	139,44	160,10
34.902,52	-	38.391,29	-	-	10,33	36,15	123,95	144,61
38.391,30	-	41.880,07	-	-	-	10,33	108,46	134,28
41.880,08	-	45.370,22	-	-	-	-	51,65	118,79
45.370,23	-	48.860,39	-	-	-	-	-	51,65
Reference household yearly income for the period from 1st July 2021								
Yearly family income €		Allowance amount based on the number of members in the family - €						
		2	3	4	5	6	7+	
Up to		13.963,66	46,48	82,63	118,79	154,94	191,09	227,24
13.963,67	-	17.453,81	36,15	72,30	103,29	144,61	185,92	216,91
17.453,82	-	20.943,96	25,82	56,81	87,80	129,11	180,76	206,58
20.943,97	-	24.432,76	10,33	41,32	72,30	113,62	170,43	196,25
24.432,77	-	27.922,22	-	25,82	56,81	103,29	165,27	185,92
27.922,23	-	31.413,03	-	10,33	41,32	87,80	154,94	175,60
31.413,04	-	34.902,51	-	-	25,82	61,97	139,44	160,10
34.902,52	-	38.391,29	-	-	10,33	36,15	123,95	144,61
38.391,30	-	41.880,07	-	-	-	10,33	108,46	134,28
41.880,08	-	45.370,22	-	-	-	-	51,65	118,79
45.370,23	-	48.860,39	-	-	-	-	-	51,65

With reference to the observations made by the Committee of Ministers about the compliance with Article 28(a), in conjunction with Article 65 of the Code (Calculation of old-age pension - detailed calculations of the old-age pension to which a standard beneficiary is entitled and replacement rate in accordance with Titles I–III of Article 65), in which the Committee noted that family allowances for two children have been added to the pension amount, we clarify the following:

"The family unit pension allowance (see the specific benefit described in the "Family benefits" section) is also a benefit supporting the income of the pensioners' families (with pensions paid by the Employees' Pension Fund) who have an overall income below the brackets established yearly by law.

The entitlement and the amount of the allowance depend on the number of members of the family unit (which does not necessarily have to include children), on the income of the family unit and on the type of family unit.

The tables containing the amounts and income brackets are published every year and are valid from 1st July of one year to 30th June of the following one. The tables in the previous section clearly express in the title "Family units **without children**".

A. Pursuant to Art.65 – Title V

Data for female workers are equated with those of male workers.

B. Does not occur

C. Pursuant to Art.65 – Title VI

1. <u>Change in consumer prices</u> ⁴¹	
Period of reference	Consumer prices index for both employees and blue-collar workers household (without tobaccos)
A. end of period 2019 (monthly average)	102.6
B. end of period 2020 (monthly average)	102.3
C. percentage B/A	-0.3%
2. <u>Change in wages</u> ⁴²	
Period of reference	Gross wages index for annual work units (Unità Lavorative Annue (ULA))
A. year 2019 (quarterly average)	103.68
B. year 2020 (quarterly average)	104.20
C. percentage B/A	0.5%
3. <u>Change in pension benefits (minimum income)</u>	
Period of reference	Minimum pension income
A. beginning of period 2019 (monthly amount)	€ 513.01
B. end of period 2020 (monthly amounts)	€ 515,58
C. percentage B/A	0.5%

PART VI – EMPLOYMENT INJURY BENEFITS – see INAIL report.

⁴¹ Source: ISTAT, Base 2015=100

⁴² Source: ISTAT, Base 2010=100

PART VII

FAMILY BENEFITS

a) Changes made during the reference period

Allowance for family unit (ANF - *assegno per il nucleo familiare*)

(Article 2, L.D.13/3/1988, n. 69, turned into Law No. 153/1988 with modifications)

This allowance is an economic support paid to the family unit of employees, agricultural sector employees, domestic workers, “atypical” workers registered with the Separate Scheme, pensioners and beneficiaries of temporary social security benefits related to the employment relationship.

Italian, EU country and third country’s workers⁴³ (these last ones, coming both from countries having subscribed bilateral agreement with Italy and not), residing in Italy, are entitled to the allowance for family unit consisting of the applicant and her/his:

- spouse/civil union partner, not divorced or legally separated or dissolved from civil partnership;
- children or equivalent minors and adults with disability to be gainfully employed;
- children or their equivalents between 18 and 21 years of age who are students or are apprentices (only in case of large families);
- Brothers, sisters and grandchildren who had lost both parents and are not beneficiaries of a survivors’ pension.

The family unit income shall not exceed the ceilings based on the consumer price index, calculated by ISTAT (Italian Institute of Statistics). INPS, with its circular, publishes these income ceilings every year.

⁴³ With the exception of seasonal workers

Family allowances (AF)

(Decree of the President of the Republic no. 797 of 30th May 1955)

Italian, EU country and third country's workers, working in Italian territory, who are farmers, sharecroppers, settlers, and pensioners of special schemes for self-employed workers (craftspeople, traders, farmers, sharecroppers and yeoman farmers), are entitled to family allowances if the total income of their family unit not exceeds the ceilings stated annually by law.

The family unit of reference consists of dependent members (children and their equivalent; cohabitants brothers, sisters and grandchildren who are minors or unable to work; high school students or apprentices up to 21 years of age; university students up to 26 years of age), whose personal monthly income not exceeds the ceilings stated by law and annually revised.

Allowance amounts:

- € 8.18 per month to farmers, sharecroppers and settlers for children and their equivalent;
- € 10.21 per month to special schemes' pensioners, self-employed workers and yeoman farmers for spouse, children and their equivalent;
- € 1.21 per month to yeoman farmers for parents and their equivalent.

Monthly income ceilings

For the purposes of family allowance, the 2021 monthly income ceilings necessary to be entitled to the benefit are the following:

€ 726.11 for spouse, single parent, each child or equivalent;

€ 1,270.69 for two parents and equivalents.

Family allowance for family unit consisting of at least three minor children granted by Municipalities

(Article 65, Law No. 448/1998)

It is an assistance benefit for family units with at least three minor children paid to Italian, EU country's citizens residing in Italy and to third Country's

citizens who are long-term residents in Italy.

Requirements:

- Family unit consisting of at least one parent and three children under 18 years, including spouse's children and minors in pre-adoption foster care. Minors must be part of the applicant's same family unit and must not be in foster care to third parties;
- Family unit income and assets must not exceed the ISEE (Equivalent economic status indicator) value, reassessed on an annual basis.

Benefit Amount:

The benefit amount for 2021, in the full measure, is equal to annual 1,886.82 € (145.14 € for 13 months) if the ISEE indicator is equal to or less than 8,788.99 €.

The benefit can be combined with any other family economic support and it is not considered an income for tax and social security purposes.

The Municipality, who, upon application, granted the benefit, is responsible for controlling and, where necessary, for withdrawing the benefit.

INPS provides for the payment every six months (within the 15 July, for the period January-June; within 15 January of the next year, for the period July-December).

"Bonus asilo nido" - An economic aid to families for both public and private kindergarten and, upon specific conditions, for forms of support at home as an alternative to kindergarten.

(Article 1, paragraph 355, 2017 Budget Law, No. 232 of 11th December 2016) - (D.P.C.M. of 17th February, 2017) - (Article.1, paragraph 488, 2019 Budget Law, No. 145 of 30 December 2018) (Article 1, paragraph 343, 2020 Budget Law, no. 160 of 27 December 2019)

Article 1 of the 2017 Budget Law⁴⁴ provided families for an annual economic support of € 1,000.00, for children born as from 1st January 2016, to help them paying the kindergarten attendance fees both in public and private authorized structures⁴⁵. This allowance was also granted for “*forms of support at home*” to families with children (with less than 3 years of age) suffering from serious and chronicle illnesses.

Article.1, paragraph 488, of the Budget Law for 2019 (Law No. 145/2018) increased the economic support to € 1,500.00, on annual basis, for the years 2019, 2020 and 2021.

Art 1, paragraph 343 of the 2020 Budget Law, further increased the amount of the economic aid up to a maximum of € 3,000, if the nuclear family with minors of three years, has a valid ISEE indicator not exceeding € 25,000.

The economic aid can be granted up to a maximum of € 2,500, if the nuclear family has a valid ISEE indicator between € 25,001 and € 40,000. Over € 40,000, or in the absence of ISEE, the minimum amount of € 1,500 will be granted.

To benefit of the amount increase up to € 3,000, the requesting parent must be in the same nuclear family as the minor for whom the benefit is requested. Otherwise, the maximum amount of € 1,500 continues to apply.

Expenses for educational supplementary services of the nursery (e.g. playrooms, play areas, baby spaces ground, pre-school etc.), are not reimbursed.

INPS directly pays the benefit, upon parent’s application, after specific controls.

Requirements:

Parents, also adoptive parents, residing in Italy, having:

⁴⁴ Art. 1, co. 335, Legge n. 232/2016.

⁴⁵ "Authorized private nursery schools" are structures that have been authorized to open and operate by the competent local authority, following verification of compliance with all technical, structural, sanitary, pedagogical and educational requirements of quality, foreseen by the current national and local regulations for the purpose of carrying out the educational nursery service.

- Italian or EU country's citizenship (third country's citizens having political refugee status and subsidiary protection⁴⁶ are equivalent to Italian citizens);
- Third country's citizens with a EU residence permit for long-term residents⁴⁷
- Third country's citizens having:
 - a. The "permit to stay" for relatives of European Union's citizens (Italian or European) who are not nationals of a Member State, or
 - b. The "permanent residence card" for relatives of European Union's citizens (Italian or European) who are not nationals of a Member State⁴⁸.

Benefit Amount

Starting from 2020, as already mentioned, the maximum amount has increased to € 3,000 on an annual basis and is determined on the basis of the ISEE indicator.

The amount is paid monthly, relating the maximum annual amount (determined on the ISEE) to 11 months. The beneficiary parent must document each monthly kindergarten fee.

The monthly amount paid by INPS, cannot exceed the amount paid for the single fee.

This benefit cannot be combined with the benefit payments pursuant to Article 1, paragraphs 356 and 357 of the 2017 Budget Law (so-called Bonus infanzia). Moreover, this benefit cannot be combined with the deduction provided for by Article 2, paragraph 6, of Law No. 203 of December 22, 2008 (tax deductions for kindergarten attendance).

For forms of support at home, INPS pays the benefit, in a single installment, to the applicant parent cohabiting with the child, upon presentation of a certificate issued by the pediatrician attesting, "for the entire year of reference, that the child cannot attend nurseries because suffering from serious and chronicle illness".

⁴⁶ Article 27 of Legislative Decree No. 251/2007

⁴⁷ Article 9 Legislative Decree No. 286/1998 and subsequent modifications – Consolidated Law on immigration and provisions on foreigners' conditions.

⁴⁸ Provided for in Article 10 and 17 of Legislative Decree No. 30/2007.

This benefit, for both nursery attendance and forms of support at one's own house, is subject to the spending limits set out by law⁴⁹ and in order of online application submission.

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

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

⁴⁹ Article 7, D.P.C.M. 17 February 2017.

FAMILY BENEFITS

STATISTICAL DATA

ART. 41 OF THE CODE

A. It has been referred to subparagraph (a) of Art. 41

B. The category of protected persons identified is private sector employees

C. Pursuant to Art.74 - Title I

A.	Number of employees ensured INPS (year 2020) (Source: INPS, Final balance-sheet 2020)	13,462,000
B.	Total number of employees (2020) (Source: ISTAT, Workforce survey)	17,746,000
C.	Percentage between number of INPS employees ensured by INPS (A) and total employees (B)	75.9%

ART. 42 OF THE CODE

It has been referred to sub-paragraph (a) of Art. 42

The family unit allowance for employees having household without children are reported in the following **Table 1**

Table 1

FAMILY ALLOWANCE FOR FAMILY WITHOUT CHILDREN (where none of the members is disabled)								
monthly amount related to income and to the number of members in the family (Married couple only or married couple + one brother, sister or nephew/niece)								
Reference household yearly income for the period from 1st July 2020								
Yearly family income			Allowance amount based on the number of members in the family - €					
€			2	3	4	5	6	7+
Up to		13.963,66	46,48	82,63	118,79	154,94	191,09	227,24
13.963,67	-	17.453,81	36,15	72,30	103,29	144,61	185,92	216,91
17.453,82	-	20.943,96	25,82	56,81	87,80	129,11	180,76	206,58
20.943,97	-	24.432,76	10,33	41,32	72,30	113,62	170,43	196,25
24.432,77	-	27.922,22	-	25,82	56,81	103,29	165,27	185,92
27.922,23	-	31.413,03	-	10,33	41,32	87,80	154,94	175,60
31.413,04	-	34.902,51	-	-	25,82	61,97	139,44	160,10
34.902,52	-	38.391,29	-	-	10,33	36,15	123,95	144,61
38.391,30	-	41.880,07	-	-	-	10,33	108,46	134,28
41.880,08	-	45.370,22	-	-	-	-	51,65	118,79
45.370,23	-	48.860,39	-	-	-	-	-	51,65

Reference household yearly income for the period from 1 st July 2021								
Yearly family income €			Allowance amount based on the number of members in the family - €					
			2	3	4	5	6	7+
Up to		13.963,66	46,48	82,63	118,79	154,94	191,09	227,24
13.963,67	-	17.453,81	36,15	72,30	103,29	144,61	185,92	216,91
17.453,82	-	20.943,96	25,82	56,81	87,80	129,11	180,76	206,58
20.943,97	-	24.432,76	10,33	41,32	72,30	113,62	170,43	196,25
24.432,77	-	27.922,22	-	25,82	56,81	103,29	165,27	185,92
27.922,23	-	31.413,03	-	10,33	41,32	87,80	154,94	175,60
31.413,04	-	34.902,51	-	-	25,82	61,97	139,44	160,10
34.902,52	-	38.391,29	-	-	10,33	36,15	123,95	144,61
38.391,30	-	41.880,07	-	-	-	10,33	108,46	134,28
41.880,08	-	45.370,22	-	-	-	-	51,65	118,79
45.370,23	-	48.860,39	-	-	-	-	-	51,65

ART. 44 OF THE CODE

A. Pursuant Art. 66 – Title I

It has been referred to sub-paragraph 4 of Art.66 (a)

Standard employee: Wage level 1 metal worker (unskilled)

2020 YEARLY wage of a standard employee € 27,452.31

MONTHLY wage of a standard employee (yearly wage/12 mths) € 2,287.69

B. Statistical data

1. Total amount of family benefits paid in 2020 for children under 18 years of age (Source: INPS, estimated data) € 4,123,602,000

2. Total amount of benefits in kind -

3. Total € 4,123,602,000

C. i) **Total number of resident children under 18 years of age in 2020** (Source: ISTAT, resident population at 1st January) 9,433,159

ii) **B. 3. / A.(yearly wage)xCi** 1.6%

The family unit allowance for employees **having household with children under 18 years** are reported in the **Allegato 2021**.

PART VIII

MATERNITY BENEFIT

(Legislative Decree No. 151 of 26th March 2001, Consolidated Law on the protection and support of maternity and paternity)

a) Changes made during the reference period

INPS pays the benefit (with reference to employees, the employer advances the benefit payment) in the measure of 80% of the average daily wage; in case of self-employment the 80% is referred to the income. The national collective labour agreements may ensure full pay, by committing employers to pay the difference.

Women are entitled to this payment for the period of maternity leave or for the pregnancy interruption after the 180th day from the beginning of gestation. The benefit is paid for 2 months preceding the expected date of childbirth and for 3 months after childbirth (unless flexibility).

Article 1, paragraph 485, Law 30th December 2018, n. 145 (Budget Law 2019), in force since 1st January 2019, also introduces an alternative to the provisions of paragraph 1, Article 16, Legislative Decree 151/2001 (Consolidated Law on the protection and support of maternity and paternity). In fact, it recognizes to female workers *"the right to benefit from the entire duration of the maternity leave after the event of the birth, within the five months following the same, provided that the specialist doctor of the national health service, or of facilities in agreement with it and the competent doctor for the purposes of prevention and health protection in the workplace attest that this option does not prejudice the health of the pregnant woman and the unborn child"*.

Article 66, paragraph 6, of the decree-law of 25th May 2021, no. 73

introduced in Chapter X of the Consolidated Law on maternity / paternity, the article 59 bis, which provides that:

Workers registered with the Entertainment Workers' Pension Fund are entitled to the protections provided for in this Consolidated Law respectively for employment or self-employment relationships. For these workers (referred to in article 2, paragraph 1, letters a) and b), of legislative decree no. 182), the global average daily wage, necessary for calculating the maternity allowance (referred to in Article 23 of the aforementioned Consolidated Law), is obtained by dividing the amount of the income deriving from working activity in the entertainment sector performed in the twelve months preceding the beginning of the eligible period, for the number of the days worked, or in any case paid, in the same period.

Birth Allowance (*Bonus bebè*)

(Article 1, paragraphs from 125 to 129 of Law No. 190/2014 and the related D.P.C.M. 27 February 2015)

(Article 1, paragraphs 248 and 249 of Budget Law No. 205/2017 for 2018).

(Article 23 quater, Law Decree 23rd October 2018, n. 119 converted, with amendments, by Law 17th December 2018, n. 136)

(Article 1, paragraphs 340 and 341 of 2020 Budget Law, no. 160 of 27 December 2019)

(Article 1, paragraph 362 of 2021 Budget Law, no. 178 of 30 December 2020)

Article 1, paragraph 362 of the Law no. 178 of 30th December 2020, the 2021 Budget Law, confirmed the birth allowance, the so-called *Bonus bebè*, for each child born or adopted from 1st January to 31st December 2021. The allowance is paid until the one-year of age or until one-year since the entry into the family unit following the adoption.

The Law Decree n. 119/2018, converted with amendments by Law No. 136/2018, recognized an increase of 20% of the allowance amount for each child following the first, born or adopted in period between 1st January 2019 to 31st December 2021.

Requirements

The applicant parent⁵⁰ shall satisfied the following qualifying conditions:

- Italian or EU citizenship;
- in case of non-EU countries citizenship, a EU residence permit for a long period⁵¹ is requested;
- foreign citizens having the status of political refugee or subsidiary protection⁵² are equivalent to Italian citizens.

Ministry of Labour and Social Policies⁵³ clarified that the benefit can be grant to foreigners who are entitled to the following permission, respectively under Articles 10 and 17 of the Legislative Decree No. 30/2007:

A. "residence card for family member" for EU citizen's family members (Italian or EU), who are not nationals of a member State;

⁵⁰ Within 90 days from the birth date or from the date in which the minor granted custody or the adopted minor entered the family unit. In the case of temporary custody, the foster parent can apply within 90 days from the issuing of the judge's order or from the social services decision enforced by the tutelary judge.

⁵¹ As defined by Article 9 of Legislative Decree No. 286/1998.

⁵² Article 27 of Legislative Decree No. 251/2007) are equivalent to Italian citizens.

⁵³ With opinion CdG MA008/A001/11186 dated 27th, July 2016.

B. "permanent residence card for family members" for EU citizen's family members (Italian or EU), who are not nationals of a member State;

- Residence in Italy;
- Living with the child (the child and the claimant parent must be cohabiting and must have their usual residence in the same municipality;
- starting from 2020 the allowance was granted on the basis of a "universal" criterion and recalculated on the basis of new ISEE thresholds according to article 1, paragraph 340, of law no 160. Therefore, if the applicant submits an application for the allowance without having a valid ISEE so it is not possible to identify the ISEE range of reference, provided that all the other requirements are met, the allowance is granted to the extent of at least 80 euros per month or 96 euros per month in the case of a child following the first.

Benefit Amount

INPS pays, in monthly installments, the annual amount of the allowance, whose extent depends on the ISEE value calculated taking into account the family income:

- € 960 per year (€ 80 per month for 12 months), or € 1,152 per year (€ 96 per month for 12 months) in presence of child following the first, if the ISEE value is equal to or higher than € 40,000;
- € 1,440 per year (€ 120 per month for 12 months), or € 1,728 per year (€ 144 per month for 12 months) in presence of child following the first, if the ISEE value is lower than € 40,000 and higher than € 7,000;
- € 1,920 (€ 160 per month for 12 months), or € 2,304 per year (€ 192 per month for 12 months) in presence of child following the first, if the ISEE value is lower than € 7,000.

Financing

The birth allowance is on charge of the State Budget. For events occurring from 1st January 2020 to 31st December 2021, the spending limits are following:

- € 340 million for 2021;

- € 400 million for 2022.

Bonus of € 800 for birth or adoption of a child (Bonus Mamma Domani)

(Article 1, paragraph 353, Law No. 232 of 11th December 2016, Budget Law for 2017)

The Bonus of € 800, introduced with the 2017 Budget Law, is provided to women who are pregnant or to mothers, in the event of birth or adoption of children. Upon claim of the future mother, INPS pays the bonus in a lump sum payment (pregnancy or birth, adoption or custody) for the following events:

- completion of the 7th month of pregnancy (beginning of the 8th month of pregnancy)
- child delivery, although before the beginning of the 8th month of pregnancy;
- national or international adoption of the minor provided with final judgment in accordance with Law No. 184/1983;
- national⁵⁴ or international⁵⁵ pre-adoptive foster.

The bonus is not included in the taxable income according to article 8 of the *Consolidated Text of income tax* and is on the State⁵⁶ charge.

Requirements:

- residence in Italy;
- Italian or EU citizenship; Non-EU nationals holding the political refugee status and subsidiary protection are equal to Italian citizens⁵⁷;
- non-EU citizens holding a long-term EU residence permit⁵⁸;
- holders of a residence card permit for EU citizen's family members (Italian or EU), who are not nationals of a member State⁵⁹;
- holders of a permanent residence card permit for family members who are not nationals of a Member State⁶⁰;
- all future mothers, legally residing in Italy, who apply for the *bonus* provided that they satisfied the legal-factual conditions of Article 1 paragraph 353 of the Law No. 232/2016.

⁵⁴ Article 22, paragraph 6, Law No. 184/1983.

⁵⁵ Article 34 of Law No. 184/1983.

⁵⁶ Pursuant to Article 1, paragraph 353, Budget Law for 2017

⁵⁷ Pursuant to Article 27 of Legislative Decree No. 251/2007.

⁵⁸ Article 9 of Legislative Decree n. 286/1998.

⁵⁹ Article 10 of Legislative Decree No. 30/2007, Order of the Court of Milan of 12th December 2017, No. 6019/2017 which provided for the extension of the "birth premium" welfare benefit.

⁶⁰ Pursuant to Article 17 of Legislative Decree No. 30/2007.

Mandatory and optional paternity leave

(Article 4, paragraph 24, letter a), Law No. 92 of 28th June 2012)

(Article 1, paragraph 354, Budget Law for 2017 No. 232 of 11st December 2016)

(Article 1, paragraph 278, lett. a) Budget Law for 2019 No. 145 of 30th December 2018)

(Article 1, paragraph 342, lett. a) Budget Law for 2020 No. 160 of 2019)

(Article 1, paragraph 363, lett. a) Law no. 178 of 30th December 2020 - 2021 Budget Law)

(Article 1, paragraph 25, Law no. 178 of 30th December 2020 - 2021 Budget Law)

The Budget Law for 2018 stated the increase of the mandatory paternity leave from two to four days for child's births/adoptions/custodies in the calendar year 2018. It also provided employees for the possibility of benefiting of one further day of optional paternity leave upon agreement with and in replacement of the mother, in relation to the mother's maternity leave period.

The Budget Law for 2019⁶¹ has increased the mandatory paternity leave days up to five, not necessarily consecutive, confirming, at the same time, the further one day of the optional paternity leave.

Article 1, paragraph 342, letter a) of law no. 160/2019 (budget law 2020) has provided for the extension with modification of the mandatory and optional leave for the dependent fathers. For the year 2020, the duration of leave has increased by two days, passing from five to seven days. Another optional day of leave may be added to the mandatory leave, but in this case as an alternative to the mother's maternity leave.

Article 1, paragraph 363, letter b), of law no. 178 of 30th December 2020 (budget law 2021), increased, for 2021, the duration of compulsory leave up to ten days to be taken, even on a non-continuous basis, within five months from the child's birth or from the introducing of the minor into the family unit or in Italy (in case, respectively, of national or international adoption / fostering).

Article 1, paragraph 25, of the aforementioned law no. 178/2020 amended

⁶¹ Article 1, paragraph 278, Law No. 145/2018.

article 4, paragraph 24, letter a), of the law of 28 June 2012, no. 92, providing for and widening the protection of the fathers' compulsory and optional leave even in the case of perinatal death of the child.

Article 1, paragraph 363, letter c), of the aforementioned law no. 178/2020 also extended, for 2021, the possibility for the employed father to benefit from an additional day of optional leave, subject to agreement with the mother and in place of her, in relation to the period of compulsory leave due to the latter.

The father shall be an employee; he is entitled to a daily allowance equal to 100% of the wage for each day of the paternity leave.

Parental leave

(Article 4, paragraph 24, letter a), Law No. 92 of 28th June 2012)

(Article 1, paragraph 354, Budget Law for 2017 No. 232 of 11st December 2016)

Claimant workers, both mothers and fathers, are entitled to an optional parental leave period of total 10 months (considering both the parents), which can be raised up to 11 months if the father exercises his right to abstain from work for a continuous or fractional period of not less than three months.

Parents can benefit from the parental leave up to the age of 12 of the child; it provides for a reduced remuneration (30% of the wage) if the parents benefit from it within the sixth year of age of the child and for a maximum period of six months, considering both them. For further periods and for periods between the sixth and the eighth year of age of the child, the parental care provides for remuneration only upon condition that the applicant's personal income is less than 2.5 times the minimum pension amount.

After the eighth year of age of the child the parental leave does not provide any remuneration.

Maternity/paternity protection for not entrepreneurial self-employed workers registered with the Separate Scheme (Gestione Separata).

(Article 64, paragraph 2, Legislative Decree No. 151 of 26th march 2001 Art.1, paragraph 1, letter b) law 2 November 2019, n. 128, containing "measures aimed at extending the social security protections provided for workers enrolled in the INPS Separate Scheme")

In order to ensure adequate protection to not entrepreneurial self-employment and to promote a flexible structure of the employment, in terms of times and places, Article 64, paragraph 2 of the Maternity/Paternity⁶² has been implemented with Article 13 of the Law No. 81/2017. This Article states that the mandatory period of maternity shall be no longer conditional to the refrain obligation from working activity. This rule applies to both births and national or international adoptions/pre-adoptive custodies.

Furthermore, provides for new modalities to benefit from parental leave. Specifically, workers registered with Separate INPS Scheme are entitled to a remuneration for parental leave for a maximum period of six months within the first three years of the child's life. This remuneration, although benefited from other fund or pension scheme, cannot generally exceed the total time limit of six months, considering both parents.

With the law 2 November 2019, n. 128, containing measures aimed at extending the social security protections provided for workers enrolled in the Separate INPS Scheme, the contribution requirement necessary for access to maternity protection for female workers and workers who are not pensioners and not enrolled in other mandatory forms of social security. Specifically, the law provided that maternity or paternity allowance and parental leave are paid on condition that, towards the workers concerned, they are accredited to the Separate INPS Scheme, referred to in Article 2, paragraph 26, of Law no. 335/1995, contributions equal to a monthly payment in the twelve months preceding the beginning of the claimable period. Previously, the useful requirement was three monthly contributions.

⁶² Consolidated Law (Legislative Decree No. 151 of 26th March 2001).

Benefit amount

For workers registered with the Separate INPS Scheme, if the income derives from free-lance professional activity or from coordinated and continuous quasi-subordinate collaboration, the leave allowance is equal to 80% of 1/365 of the income.

Covid-19 leave

(Art 23 of the decree-law n. 18/2020 and Art 72 of the decree-law n. 34/2020)

Article 23 of decree-law no. 18/2020, converted, with modifications, by the law 24 April 2020, n. 27 introduced an indemnified leave (so-called Covid-19 leave) of 15 days usable for the care of minors during the time span from 5 March to 31 July 2020. This leave was extended to 30 days by article 72 of decree-law n. 34/2020.

The law no. 77 of 17th July 2020, in converting the decree-law no. 34/2020, amended article 72, paragraph 1, letter a), as follows: the period in which it is possible to benefit from the COVID-19 leave has been extended until 31 August 2020 (the previous time limit was set at 31 July); it is possible to benefit from the COVID-19 leave on an hourly basis.

Article 5 of the decree-law no. 111/2020, introduced a compensated COVID-19 leave for the school quarantine of children in favor of employed parents so they can abstain from work, totally or in part, during the quarantine period of the cohabiting child under the age of fourteen. The quarantine period must be ordered by the Prevention Department of the territorially competent Local Health Authority (ASL - Azienda Sanitaria Locale) following contact occurring within the school. This leave can be benefited when parents cannot perform remote work and, in any case, as an alternative to this modality of working.

The law no. 126 of 13 October 2020 converting into law of the decree-law no. 104 of 14 August 2020, repealed the decree-law n. 111/2020 and introduced

article 21-bis in decree-law no. 104/2020. Article 21-bis provides for the possibility of benefiting from this leave as an alternative to remote work even if, in case of child's quarantine, the contact took place elsewhere than the school.

Article 2 of the decree-law no. 30/2020, provided for the 2021 COVID-19 leave for parents with children suffering from SARS Covid-19, in contact quarantine or with suspended teaching activities. This leave, for the care of cohabiting children under the age of 14, has a duration corresponding, totally or in part, to the duration of the SARS Covid-19 infection, of the child's quarantine wherever the contact occurred, as well as of the period of suspension of teaching in presence. The leave can be used without age limits for the care of severe disabled children pursuant to article 4, paragraph 1, of law no. 104, attending schools of all types and level, whose teaching activities in the presence have been suspended or who are hosted in day care centers for which the closing has been ordered. This leave can be benefited by parents only if remote work cannot be performed and as an alternative to the other parent cohabiting with the child or even not cohabiting in the case of a child with severe disability.

Law no. 61/2021, converting the decree-law n. 30/2020, introduced the possibility of using the "2021 Parental Leave" also on an hourly basis starting from 13 May 2021 and until 30 June 2021, except for extensions.

The covid-19 leaves are available to parents employed in the private sector, to workers enrolled in the separate management referred to in article 2, paragraph 26, of the law of 8 August 1995, n. 335 and by self-employed workers registered with INPS.

The leaves in question can be benefited by only one of the parents or by both, but not on the same days per household (and not for each child).

The allowance is equal to:

- 50% of the salary, for employees;
- 50% of 1/365 of the income, identified according to the calculation basis used for the determination of the maternity allowance, for workers enrolled exclusively in the Separate INPS Scheme;
- 50% of the conventional daily wages, established annually by law, for self-employed workers.

Maternity allowance granted by the municipality

(Article 74 of Legislative Decree No. 151/2001 – Consolidate Law Maternity - Paternity)

Maternity allowance granted by the Municipality, is a welfare-based benefit paid by INPS and subject to means testing.

It is paid for births, adoptions and the pre-adoption child custody occurred from 1st January 2020 to 31st December 2021;

Beneficiaries

Unemployed mothers or employed mothers provided they are not entitled to an economic maternity allowance or, for the differential component, to an amount lower than that of the allowance, who are:

- Italian citizens;
- EU citizens;
- non-EU's residing in Italy with a residence permit which shall be assessed by their Municipalities of residence.

Benefit amount

The benefit amount for 2020 and for 2021 is equal to € 348.12, for five month for a total of € 1,740.60.

For 2020 and 2021, the ISEE value is equal to € 17,416.66.

Maternity allowance granted by municipalities		
Year	Monthly amount €	Yearly amount €
2020	348.12	1,740.60
2021	348.12	1,740.60

This allowance, like the allowance for the family unit, does not constitute income for tax and social security purposes; INPS pays it in a single solution, no later than 45 days from the date of receipt of the data transmitted by the Municipalities.

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

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

MATERNITY BENEFIT

STATISTICAL DATA

ART. 48 OF THE CODE

A. It has been referred to subparagraph (a) of Art. 48

B. The category of protected persons identified is that of private employees

C. Pursuant to Art. 74 – Title I

A.	Number of employees ensured INPS (2020) (Source: INPS, Final balance-sheet 2020)	14,208,100
B.	Total number of employees (2020) (Source: ISTAT, Workforce Survey)	17,746,000
C.	Percentage between number of INPS employees ensured (A) and total employees (B)	80.00%

C. Pursuant to Art. 74 – Title II

Total number of resident (year 2020)⁶³ 59,641,488

X. INVALIDITY BENEFIT

See report ex Article 76

X. SURVIVORS' BENEFIT

See report ex Article 76

⁶³ Source: ISTAT, people residing on 1st January

PARTE XI

FINANCING

a) Changes made during the reference period.

Contribution exemption for companies that do not require redundancy payments

(Art. 3 of the decree-law 14 August 2020, n.104, converted, with modifications, by the law 13 October 2020, n.126)

As part of the measures adopted to support and relaunch the economy following the epidemiological emergency from COVID-19, the decree-law of 14 August 2020, no. 104, has provided, in Article 3, for an exemption from the payment of social security contributions for companies that do not require the new wage integration measures referred to in Article 1 of the same decree-law. Private employers, with the exception of those operating in the agricultural sector, who have already benefited, in the months of May and June 2020, of ordinary wage integration interventions can access the exemption under discussion.

For the purposes of verifying compliance with the aforementioned prerequisite (i.e. the use of the shock absorbers in the months of May and June 2020) it is necessary to refer to the individual INPS registration numbers assigned to the employers due to the different social security classification. Consequently, the amount of the exemption may be used, within the limits of the social security contribution due, for the same freshmen for which the aforementioned treatments were used. Furthermore, as anticipated, it is envisaged that employers, in order to access the exemption in question, do not request the new redundancy benefits (ordinary or in derogation) or the ordinary allowance referred to in Article 1 of the same decree. - law n. 104 of 2020.

Since the law asks the employer to make a choice between the exemption in question and the new wage integration tools, where the employer has more

production units, against the same company registration number, the choice must be made for each unit productive.

The amount of the exemption is equal - without prejudice to the rate of calculation of the pension benefits - to the unpaid contribution for double the hours of wage supplement received in the aforementioned two months of May and June 2020, with the exclusion of premiums and contributions due to INAIL.

This amount can be used, up to 31 December 2020, for a maximum period of four months and must be re-priced and applied on a monthly basis.

For the purposes of the legitimate application of the exemption, the employer, pursuant to Article 14 of the same decree-law no. 104/2020, must comply with the prohibition of collective and individual dismissals for justified objective reasons for the entire period of use of the exemption.

Violation of the aforementioned provision results in the withdrawal of the exemption with retroactive effect and the inability to submit a new application for wage supplement referred to in Article 1 of Decree-Law no 104/2020.

The exemption under discussion, as expressly provided for in Article 3, paragraph 4, of the decree-law in question can be combined with other exemptions or reductions in the funding rates provided for by current legislation, within the limits of the social security contribution due.

Finally, the application of the benefit is subject to the authorization of the European Commission.

Total exemption from contributions for permanent hires made in the period from 15 August 2020 to 31 December 2020

(Articles 6 and 7 of the decree-law 14 August 2020, n.104, converted, with amendments, by the law 13 October 2020, n.126)

As part of the measures adopted to support and relaunch the economy following the epidemiological emergency from COVID-19, the decree-law of 14 August 2020, no. 104, provided, in article 6, paragraph 1, the total exemption from the payment of social security contributions to be paid by the employer, with the exception of the agricultural sector, for hiring with a

permanent employment contract, carried out in the period between 15 August 2020 and 31 December 2020.

Workers must not have had a permanent contract in the six months prior to being hired by the same employer. Apprenticeship contracts and domestic work contracts are excluded from the relationships with incentives.

Pursuant to Article 6, paragraph 3, of the decree in question, this exemption also applies in the event of the transformation of the fixed-term subordinate employment contract into an open-ended employment contract carried out in the same time frame identified above.

The exemption has a maximum duration of six months starting from the indefinite employment / transformation and is equal to the social security contribution payable by the employer, with the exclusion of premiums and contributions due to INAIL, for a maximum amount of 8,060, 00 euros on an annual basis, restated and applied on a monthly basis.

Pursuant to article 7, paragraph 1, of the decree-law in question, the exemption from contributions referred to in the aforementioned article 6 is extended to fixed-term hires or seasonal employment contracts in the tourism and spas sectors, carried out in the period between August 15, 2020 and December 31, 2020.

In such cases, the incentive has a duration equal to the period of the contracts stipulated, in any case not exceeding three months.

In the event of conversion of the aforementioned relationships into permanent employment contracts, pursuant to article 7, paragraph 1, last part, the provisions of article 6, paragraph 3, by virtue of which the exemption "It is also recognized in cases where the fixed-term subordinate employment contract is transformed into a permanent contract after the date of entry into force of this decree".

Pursuant to Article 6, paragraph 3, of the decree-law in question, the contribution exemption can be combined with other exemptions or reductions in the funding rates provided for by current legislation, within the limits of the social security contribution due.

As regards the compatibility of the incentive with the legislation on state aid,

it should be noted that the contribution exemption introduced by article 6 of decree-law no. 104/2020 is aimed at all private employers, with the exception of the agricultural sector. Therefore, due to its characteristics, the exemption does not integrate a selective measure and, as such, is not subject to the Community rules on state aid, referred to in Article 107 of the Treaty on the Functioning of the European Union.

Otherwise, the contributory benefit provided for in Article 7 of Law Decree no. 104/2020 for fixed term or seasonal employment contracts, as it relates only to the tourism and spa sectors, is configured as a selective measure which, as such, requires the prior authorization of the European Commission.

"Southern tax reduction" incentive

(Article 27 of the decree-law 14 August 2020, n.104, converted, with amendments, by the law 13 October 2020, n.126)

In order to contain the extraordinary effects on employment caused by the COVID19 epidemic in areas characterized by serious situations of socio-economic hardship and to ensure the protection of employment levels, article 27 of the decree-law of 14 August 2020, n. 104, converted, with amendments, by law 13 October 2020, n. 126, has foreseen, in favor of private employers, an exemption from the payment of contributions equal to 30% of the total social security contributions due by them, with the exclusion of premiums and contributions due to the National Institute for Insurance against Accidents at Work (INAIL) .

All private employers, even non-entrepreneurs, can access the benefit in question, with the exception of the agricultural sector and employers who stipulate domestic work contracts.

More specifically, access to the benefit is allowed with reference to employment relationships whose place of work is located in regions that in 2018 had a gross domestic product per capita below 75% of the EU27 average or in any case between 75 % and 90%, and an employment rate below the national average.

Therefore, the facilitation is available on condition that the work is performed

in one of the following regions: Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia, Sicily. By place of work we mean the place where the service is actually carried out.

As anticipated, the exemption is equal to 30% of the social security contribution paid by the employer, without prejudice to the rate of calculation of pension benefits, with the exclusion of premiums and contributions due to INAIL. The rule in question does not provide for an individual limit on the amount of the exemption. Therefore, the relief is applied to 30% of the employer's contribution without identifying a maximum monthly ceiling.

With reference to the period of use of the facility, the same is applicable for the period, specifically provided for by decree-law no. 104/2020, between 1 October 2020 and 31 December 2020.

The "Southern tax reduction" measure applies in relation to all employment relationships, both established and being established, other than agricultural and domestic work, as long as the geographic requirement of work performance is respected.

In this perspective, the facility in question does not have the nature of an incentive to hire and, therefore, is not subject to the application of the general principles on employment incentives established, lastly, by article 31 of the legislative decree 14 September 2015, n. 150. On the other hand, for the purposes of the right to the legitimate use of the exemption, the compliance with the rules for the protection of working conditions and compulsory workers' insurance remains valid.

From a subjective point of view, the contributory benefit provided for in Article 27 of Decree-Law no. 104/2020, converted, with amendments, by law no. 126/2020, as it is aimed at a specific audience of recipients (employers operating in disadvantaged areas), is configured as a selective measure which, as such, requires the prior authorization of the European Commission. Paragraph 1 of article 27, in fact, specifies that the measure is granted in compliance with the conditions of the "Temporary Framework for State aid measures to support the economy in the current emergency of COVID-19" (Communication CE 19 March 2020 C (2020) 1863).

Therefore, the effectiveness of the provisions referred to in Article 27, paragraph 1, is subject, pursuant to Article 108, paragraph 3, of the Treaty on the Functioning of the European Union, to the authorization of the European Commission.

Contribution exemption for companies that do not require further redundancy payments

(Article 12, paragraphs 14 and 15, of the decree-law 28 October 2020, n.137, converted, with amendments, by the law 18 December 2020, n.176)

As part of the measures relating to health protection, support to workers and businesses, justice and safety, connected to the epidemiological emergency from COVID-19, the decree-law of 28 October 2020, n. 137, converted, with amendments, by law 18 December 2020, n. 176, has provided, in Article 12, paragraphs 14 and 15, for an exemption from the payment of social security contributions for companies that do not require wage integration treatments. Private employers who have already benefited, in June 2020, from the salary integration measures referred to in articles 19 to 22-quinquies of the decree-law of 17 March 2020, n. 18, converted, with amendments, by law 24 April 2020, n. 27, and subsequent amendments, that is the ordinary wage integration treatments, ordinary allowances and wage supplementation treatments in derogation, recognized according to the discipline set in relation to the epidemiological emergency from COVID-19, identified on the basis of INPS registration numbers in relation which benefited from the aforementioned social safety nets.

More specifically, the aforementioned article 12 of decree-law no. 137/2020, in providing in paragraph 1 new treatments of ordinary layoffs, ordinary allowances and redundancies in derogation, in paragraph 14 discipline, in favor of private sector employers who do not request such treatments, with the exception of the agricultural one, a further exemption from the payment of social security contributions at their expense, available by January 31, 2021.

The new wage integration treatments are due, as expressly provided for in

Article 12, paragraph 2, of the aforementioned decree-law no. 137/2020, to employers who have already been fully authorized the additional nine-week period referred to in Article 1, paragraph 2, of the decree-law of 14 August 2020, no. 104, converted, with amendments, by law 13 October 2020, n. 126, after the authorized period, as well as to employers belonging to the sectors affected by the decree of the President of the Council of Ministers of 24 October 2020, which provides for the closure or limitation of economic and production activities in order to face the epidemiological emergency from COVID-19.

In addition, the contributory benefit, by virtue of the provision referred to in paragraph 15 of the same article 12, can be recognized to the employer who renounces the spending of the residual exemption referred to in article 3 of decree-law no. 104/2020 and does not intend to make use of the new wage integration treatments.

From the combined provisions of the aforementioned rules, therefore, the exemption in question may be requested by three groups of subjects:

- 1) subjects to whom the additional nine-week period referred to in Article 1, paragraph 2, of Decree-Law no. 104/2020, converted, with amendments, by law no. 126/2020, once the authorized period has expired;
- 2) Subjects belonging to the sectors affected by the decree of the President of the Council of Ministers of 24 October 2020;
- 3) Subjects who renounce spending the residual exemption referred to in Article 3 of Decree-Law no. 104/2020, even for a fraction of the number of workers affected by the benefit, and who do not intend to make use of the new wage integration treatments referred to in Article 12, paragraph 1, of Law Decree no. 137/2020.

As anticipated, for the purposes of the legitimate recognition of the exemption it is envisaged that the employers concerned do not request new redundancy payments (ordinary or in derogation) or the ordinary allowance referred to in Article 12, paragraph 1, of the decree - law n. 137/2020.

The alternative nature of the exemption with respect to the salary integration treatments implies that, if the employer decides to access the exemption in

question, he will not be able to make use, in the same production unit, until 31 January 2021, of any further treatment of wage supplement linked to the COVID-19 emergency.

With specific reference to the new salary integration treatments, it should be noted that they have a maximum duration of six weeks, to be placed in the period between November 16, 2020 and January 31, 2021.

As foreseen by the same article 12, paragraph 1, of the aforementioned decree-law n. 137/2020, the integration periods previously requested and authorized pursuant to Article 1 of Decree-Law no. 104/2020, converted, with amendments, by law no. 126/2020, placed, even partially, in periods subsequent to 15 November 2020 are charged, where authorized, to six weeks.

The amount of the exemption under discussion is equal - without prejudice to the rate of calculation of pension benefits - to the hours of wage supplementation also partially used in June 2020, with the exclusion of bonuses and contributions due to INAIL. The amount of the benefit, more specifically, is equal to the full contribution to be paid by the employer not paid in relation to the hours of use of the social safety nets in the aforementioned month. The amount of the exemption thus determined constitutes the maximum amount recognizable for the purposes of the facility. This amount can be used, until January 31, 2021, for a maximum period of four weeks and must be re-priced and applied on a monthly basis.

For the purposes of the legitimate application of the exemption, the employer, pursuant to Article 12, paragraphs 9 and 10, of the same decree-law no. 137/2020, must comply with the prohibition of collective and individual dismissals for justified objective reasons until the same date of 31 January 2021. The prohibitions on dismissal therefore operate not only during the period of use of the exemption, but in any case until January 31, 2021.

In this regard, it should be noted that the assessment of compliance with the aforementioned condition must be carried out on the entire company registration number and that, by virtue of the reference to Article 3 of Decree-Law no. 104/2020, the violation of the provision entails the withdrawal of the

exemption with retroactive effect.

The exemption under discussion, in continuity with the provisions of Article 3 of Decree-Law no. 104/2020, can be combined with other exemptions or reductions in the funding rates provided for by current legislation, within the limits of the social security contribution due and on condition that the other exemptions intended to be used are not expressly provided for a prohibition on cumulation with other schemes.

Finally, from a subjective point of view, the contributory benefit in question, since it is aimed at a specific audience of recipients, is configured as a selective measure. Therefore, the effectiveness of the provisions referred to in Article 12, paragraphs 14 and 15, is subject, pursuant to Article 108, paragraph 3, of the Treaty on the Functioning of the European Union, to the authorization of the European Commission.

Exemption for permanent hiring / transformations of young people carried out in the two-year period 2021-2022

(Article 1, paragraphs 10-15, of Law No. 178 of 30 December 2020)

In order to promote stable youth employment, Article 1, paragraphs 10 to 15, of Law no. 178 (Budget Law 2021) provides that, for permanent hires and for the transformation of fixed-term contracts into permanent contracts carried out in the two-year period 2021-2022, the exemption referred to in Article 1, paragraphs 100 -108 and 113-114, of the law 27 December 2017, n. 205 (2018 Budget Law), is recognized in the amount of 100 percent, for a maximum period of thirty-six months, up to the maximum amount of € 6,000 per year, with reference to subjects who, at the date of the first incentivized hiring, have not completed the thirty-sixth year of age.

The new legislation therefore introduces an additional and additional measure with respect to the provisions of law no. 205/2017.

The exemption in question is granted to all private employers, regardless of whether or not they assume the nature of an entrepreneur, including employers in the agricultural sector. The incentive in question is for new permanent hires and for the transformation of fixed-term contracts into

permanent contracts, carried out in the two-year period 2021-2022, of subjects who, at the date of the incentive event, have not completed the thirty-six years of age and have not been employed indefinitely with the same or another employer during their entire working life.

The personal data requirement is considered to be met if the worker, at the date of hiring, is less than or equal to thirty-five years and 364 days.

They are excluded from the benefit, as expressly provided for in Article 1, paragraph 114, of Law no. 205/2017, apprenticeship relationships and domestic work contracts, in relation to which the regulatory framework in force already provides for the application of social security rates to a lesser extent than the ordinary one.

Furthermore, hiring with an intermittent or on-call employment contract, referred to in Articles 13 to 18 of Legislative Decree 15 June 2015, no. 81, even if stipulated for an indefinite period.

The exemption from contributions is, on the other hand, applicable to open-ended employment relationships established in implementation of the close association with a work cooperative pursuant to law no. 142, as well as permanent hires for the purpose of administration, even if the work performance is rendered to the user in the form of a fixed term.

The incentive introduced by the 2021 Budget Law, valid only for permanent hires / transformations carried out in the two-year period 2021-2022, is equal, without prejudice to the rate of calculation of pension benefits, to the exemption from the payment of 100% of the overall social security contributions payable by employers, up to a maximum amount of € 6,000 to year.

The maximum threshold for exemption from employer contributions referring to the monthly pay period is therefore equal to 500 euros ($€ 6,000 / 12$) and, for employment relationships established and terminated during the month, this threshold must be re-proportioned by taking as reference measure of 16.12 euros ($€ 500/31$) for each day of use of the contribution exemption.

In the case of part-time employment relationships, the allowance ceiling must be proportionally reduced.

For the purposes of the legitimate recognition of the incentive, the 2021 budget law further requires compliance with the following conditions:

- employers must not have carried out, in the six months prior to hiring, individual dismissals for justified objective reasons or collective redundancies, pursuant to law no. 223, towards workers with the same qualification in the same production unit;
- employers must not proceed, in the nine months following the hiring, to individual dismissals for justified objective reasons or to collective dismissals, pursuant to law no. 223/1991, towards workers with the same qualification in the same production unit.

The contribution exemption introduced by the 2021 Budget Law cannot be combined with "other exemptions or reductions in the funding rates provided for by current legislation, limited to the period of application of the same" (see Article 1, paragraph 114, of the law no. 205/2017).

Finally, Article 1, paragraph 14, of the 2021 Budget Law, establishes that the benefit is granted pursuant to section 3.1 of the communication from the European Commission C (2020) 1863 final of 19 March 2020, containing the "Temporary framework for of State aid to support the economy in the current emergency of COVID-19", within the limits and under the conditions set out in the same communication, and is also subject to the authorization of the European Commission, pursuant to Article 108, paragraph 3 , of the Treaty on the Functioning of the European Union.

Exemption for the hiring of working women carried out in the two-year period 2021-2022

(Article 1, paragraphs 16-19, of Law No. 178 of 30 December 2020)

Law no. 178/2020 (hereinafter, budget law 2021) provided for in article 1, paragraph 16, that: "For the hiring of working women carried out in the two-year period 2021-2022, on an experimental basis, the exemption from contributions referred to in article 4, paragraphs 9 to 11, of the law of 28 June 2012, n. 92, is recognized to the extent of 100 percent within the maximum amount of 6,000 euros per year ".

All private employers, even non-entrepreneurs, including employers in the agricultural sector, can access the benefit in question.

Although Article 1, paragraph 16, of the 2021 Budget Law literally provides that the exemption applies "to the hiring of working women", this expression, by virtue of the reference made by the provision in Article 4 of Law no. 92/2012, is to be understood as "for the recruitment of disadvantaged working women", according to the regulations dictated by Article 4, paragraphs 8 to 11, of Law no. 92/2012.

Pursuant to the aforementioned article 4, paragraphs 8 to 11, of law no. 92/2012, the following categories are attributable to the notion of "disadvantaged women":

- a) women with at least fifty years of age and "unemployed for over twelve months";
- b) "women of any age, residing in regions eligible for funding under the structural funds of the European Union who have not been in regular paid employment for at least six months";
- c) women of any age who carry out professions or work activities in economic sectors characterized by a marked gender employment disparity and "without regular paid employment for at least six months";
- d) women of any age, resident anywhere and "without regular paid employment for at least twentyfour months".

As regards the types of incentive relationships, the incentive in question is for:

- fixed-term hiring;
- permanent hiring and transformations;
- transformations for an indefinite period

The incentive is also valid in the case of part-time; for subordinate employment relationships established in implementation of the close associative bond with a work cooperative, pursuant to law no. 142; in reference to employment relationships for the purpose of temporary employment.

By virtue of the specialty of the discipline, however, the incentive does not

apply to intermittent employment relationships.

With reference to the duration of the subsidized period, it is clarified that the incentive:

- in case of temporary employment, it is up to 12 months;
- in case of permanent employment, it is for 18 months;
- in the event of an open-ended transformation of an already facilitated term relationship, it is recognized for a total of 18 months from the date of employment.

The incentive is also valid in the event of extension of the relationship, carried out in accordance with the discipline of the fixed-term relationship, up to the overall limit of 12 months.

As regards the measure, the incentive introduced by the 2021 budget law is equal, without prejudice to the rate of calculation of pension benefits, to the exemption from the payment of 100 per cent of the total social security contributions payable by employers, in the maximum amount of 6,000 euros per year.

In the case of part-time employment relationships, the allowance ceiling must be proportionally reduced.

For the purposes of the legitimate recognition of the facility in question, it is also necessary to comply with the condition specifically provided for by the 2021 budget law consisting in the implementation of the employment increase.

In this regard, it should be noted that, for the purpose of determining the employment increase, the number of employees is calculated in Annual Work Units (U.L.A.), according to the conventional criterion of Community law.

The exemption in question can be combined with other exemptions or reductions in the financing rates provided for by current legislation, within the limits of the social security contribution due and provided that the other exemptions intended to be used are not expressly provided for a prohibition on cumulation with other schemes.

Pursuant to article 1, paragraph 18, of the 2021 budget law, the benefit is granted pursuant to section 3.1 of the communication from the European

Commission C (2020) 1863 final, of 19 March 2020, on the "Temporary framework for State aid to support the economy in the current emergency of COVID-19 ", within the limits and under the conditions set out in the same communication, and is also subject to the authorization of the European Commission, pursuant to Article 108, paragraph 3, of the Treaty on the Functioning of the European Union.

Facilitation "Southern tax reduction" - extension to 2029

(Article 1, paragraph 161, of law no.178 of 30 December 2020)

In order to contain the persistence of the extraordinary effects on employment, caused by the COVID-19 epidemic in areas characterized by serious situations of socio-economic hardship, and to guarantee the protection of employment levels, article 1, paragraph 161, of the law n. 178/2020 (hereinafter, also budget law 2021), provided that the contribution exemption referred to in Article 27, paragraph 1, of the decree-law of 14 August 2020, no. 104, converted, with amendments, by law 13 October 2020, n. 126, apply until December 31, 2029.

The aforementioned article 1, paragraph 161, of the 2021 budget law, in extending the exemption until 31 December 2029, also provides for a different modulation of the intensity of the measure.

Specifically, the percentage of deductible employer contribution is equal to:

- at 30% until 31 December 2025;
- 20% for the years 2026 and 2027;
- 10% for the years 2028 and 2029.

The regions that fall within the benefit, based on the reference to article 27, paragraph 1, of the decree-law no. 104/2020, are Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily.

The place of work relevant to the recognition of the tax deduction must be identified in the place where the service is actually carried out.

As mentioned, the benefit in question takes the form of an exemption equal to 30% of the total employer contribution due until 31 December 2025 (and, subsequently, equal to 20% for the years 2026 and 2027 and 10% for the

years 2028. and 2029), in the face of subordinate employment relationships both established and being established.

Due to the size of the relief measure, it can be combined with other exemptions or reductions in the funding rates provided for by current legislation, within the limits of the social security contribution due, and provided that there is no express prohibition of accumulation provided for by another provision.

From a subjective point of view, the contributory benefit envisaged by article 1, paragraph 306, of the 2021 budget law, as it is aimed at a specific audience of recipients, is configured as a selective measure which, as such, requires the prior authorization of the European Commission. Paragraph 308 of the aforementioned article 1, in fact, specifies that the measure is granted pursuant to section 3.1 of the Communication from the European Commission, containing a "Temporary framework for state aid measures to support the economy in the current emergency of COVID -19 ", adopted on March 19, 2020 (C (2020) 1863), and subsequent amendments (so-called Temporary Framework), and within the limits and under the conditions set out in the same Communication. Therefore, the effectiveness of the provisions is subject, pursuant to Article 108, paragraph 3, of the Treaty on the Functioning of the European Union, to the authorization of the European Commission.

Contribution exemption for companies that do not require further redundancy payments

(Article 1, paragraph 306-308, of law no.178 of 30 December 2020)

Law no. 178/2020 (hereinafter, also the budget law 2021) provided, in Article 1, paragraphs 306 to 308, for an exemption from the payment of social security contributions for companies that do not require wage integration treatments. In particular, the aforementioned article 1, in providing in paragraphs 299 and following new treatments of ordinary layoffs, ordinary allowance and redundancy fund in derogation, in paragraph 306 establishes, in favor of employers in the private sector, with the exclusion of the agricultural sector ,

which do not require such treatments, the recognition of the exemption from the payment of social security contributions at their expense referred to in article 3 of the decree-law 14 August 2020, n. 104, converted, with amendments, by law 13 October 2020, n. 126, for a further maximum period of eight weeks, usable by 31 March 2021, within the limits of the hours of salary supplement already used in the months of May and / or June 2020, with the exclusion of bonuses and contributions due to INAIL, restated and applied on a monthly basis.

For the purposes of recognition of the exemption, employers must have benefited, at least partially, from the wage supplementation treatment with the purpose of COVID-19 in the months of May and / or June 2020.

The amount of the exemption is, in fact, equal - without prejudice to the rate of calculation of pension benefits - to the unpaid employer contribution for the number of hours of wage supplement received in the aforementioned months of May and / or June 2020, with the exclusion of the premiums and contributions due to INAIL.

The amount of the exemption calculated in this way must be reparametered and applied on a monthly basis for a maximum period of eight weeks and cannot exceed, for each single month of use of the facility, the amount of contributions due.

In addition, pursuant to paragraph 307 of the aforementioned article 1, the contributory benefit in question can be recognized to the employer who renounces the spending of the residual exemption referred to in article 12 of the decree-law of 28 October 2020, n. 137, converted, with amendments, by law 18 December 2020, n. 176, and does not intend to make use of the new wage integration treatments referred to in Article 1, paragraph 300, of the 2021 budget law.

The application of the benefit is subject to the authorization of the European Commission, as required by paragraph 308 of the aforementioned article 1 of law no. 178/2020.

Extension of the contribution relief for first level apprenticeship recruitment

(art.15 bis, paragraph 12 of the decree law 28 October 2020, n.137)

Article 1, paragraph 8, of law no. 160 had ordered a full contribution relief for recruitment with an apprenticeship contract governed by Article 43 of Legislative Decree 15 June 2015, no. 81 (apprenticeship for professional qualification and diploma, upper secondary education diploma and higher technical specialization certificate, also called first level apprenticeship) in favor of employers who employ an equal or lower number of employees to nine.

The contribution exemption was extended for the year 2021 by paragraph 12 of art. 15 bis of the decree law 28 October 2020, n. 137, converted with amendments by law 18 December 2020, n. 176.

The relief applies for the contribution periods accrued in the first three years of the contract; for the contract years subsequent to the third, however, the contribution rate of 10% remains unchanged.

The relief in question applies if both of the following conditions are met:

- employers who employ a number of employees equal to or less than nine;
- hiring with an apprenticeship contract carried out in the period between January 1, 2020 and December 31, 2020 (Article 1, paragraph 8, of Law No. 160/2019) or between January 1, 2021 and December 31, 2021 (art.15 bis, paragraph 12, of Legislative Decree no. 137/2020).

The contribution rate to be paid by the apprentice remains, however, equal to 5.84% of the taxable salary, for the entire duration of the training period.

CONTRIBUTION RATES OF GENERAL COMPULSORY SCHEME

1. Employees (private sector workers and civil servants)

Pursuant article 2, paragraph 18, Law No. 335 of 8th August 1995, with reference to workers falling within the contribution-related calculation system, the remuneration exceeding the maximum amount annually established by law, is neither subject to social security contribution nor included in pension benefit calculation.

This annual maximum amount for 2021 is equal to € 103,055.00 for the workers newly insured as from 1st January 1996 and registered with compulsory pension schemes and for workers who, although already insured before 1st January 1996, opt for the contribution related calculation system.

For workers insured before January 1st, 1996, the social security and welfare contribution are paid on the entire taxable remuneration.

The minimum wage limit for the accreditation of compulsory and notional contributions is set at 40% of the minimum pension which for 2021 is equal to € 515.58.

The contribution limit⁶⁴ for 2021 is equal to € 187,854.00 only for the general, administrative and health managers of Local Health Authorities (ASL) and hospitals, who are registered with former INPDAP public sector scheme.

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

The remuneration, which the employer must consider for the purposes of social security and welfare contribution calculation, cannot be lower than the remuneration amount annually established by laws, regulations, collective agreements or individual contracts, if it results in remuneration of a higher amount than the one provided for by the collective agreement⁶⁵.

⁶⁴ Under Article 3 bis, paragraph 11, Legislative Decree No. 502/1992 (as integrated by Legislative Decree No. 229/1999)

⁶⁵ Article 1, paragraph 1, legislative Decree no. 338, of 9th October 1989, converted into law no. 309 of 7th December 1989.

In case of a lower remuneration, the minimum daily amount revalued is € 48.98 (9.5% of the minimum pension amount paid by the Employees' pension Fund in 2021, equal to € 515.58 per month).

The minimum daily amount for conventional remuneration is equal to € 27.21.

Starting from 1st January 1993, the worker shall pay an additional rate⁶⁶, in the measure of one percentage point, on the wage share exceeding the limit of the first bracket of pensionable wage (€ 47,379.00). This applies all pension schemes which provide for contribution rates, on worker's charge, of less than 10%.

YEAR 2021	€
Minimum pension amount	515.58
Weekly limit for the accrued contributions (40%)	206.23
Yearly limit for accrued contributions, rounded to the nearest unit (€x 206,23 x 52)	10,724.00

Maternity benefit contributions

To cover the financial charges relating to maternity benefits for private sector female employees, the employers shall pay a contribution rate which applies on the wages of all the employees in the following extent:

- 0.46% (industry sector, credit, insurance, artisans, seafarers, entertainment sector);
- 0.24 % (tertiary sector and services, building owners and worship services).

A portion of maternity expenses is supported by the general taxation; the relevant amount is adjusted on the 1st January of each year on the basis of the variation in consumer prices for families of workers and employees, calculated by ISTAT. For 2021 is € 2,143.05.

⁶⁶ Article 3-ter Law Decree No. 384/92, converted into Law No. 438/92.

CONTRIBUTION RATES
INDUSTRY in general (enterprises with maximum 15 employees)

CSC **1.XX.XX** with C.A. **1S** and CSC **1.13.06 - 1.13.07 - 1.13.08** with C.A. **3N** and **1S**

CONTRIBUTION ITEMS		EMPLOYMENT STATUS			
		Workers	Employees	Travellers door-to-door salesmen	Executives
Lower daily earnings limit		48.98	48.98	48.98	135.48
Pension Fund		33.00	33.00	33.00	33.00
New ordinary unemployment benefit (NASpI):					
	Contrib. ex Article 24 Law No. 88/1989	1.31	1.31	1.31	1.31
	Contrib. ex Article 25 Law No. 845/1978	0.30	0.30	0.30	0.30
Guarantee Fund for Severance Pay (TFR-Law No. 297/1982)		0.20	0.20	0.20	0.40
Unique Fund for Family Allowances (CUAF) (*)		0.68	0.68	0.68	0.68
Ordinary income support benefit (CIG)		1.70	1.70	1.70	-
Extraordinary income support benefit (CIGS)					
Outplacement benefit					
Sickness benefit		2.22	-	-	-
Maternity benefit		0.46	0.46	0.24	0.46
TOTAL (open-ended contract workers)		39.87	37.65	37.43	36.15
New ordinary unemployment benefit (NASpI) Additional Contrib. Article 2, paragraph 28, Law No. 92/2012					
		1.40	1,40	1.40	1.40
TOTAL (fixed-term contract workers)		41.27	39.05	38.83	37.55
of which of employees' share					
Pension Fund		9.19	9.19	9.19	9.19
Extraordinary income support benefit (CIGS)		-	-	-	-
TOTAL of employees' share		9.19	9.19	9.19	9.19
Exemption granted for the sector:	1.80%				
(*) CUAF	2.48 - 1.80=0.68%				

Note:

If the employee allocates, totally or partially, the severance pay (TFR) to supplementary pension schemes or to the Treasury Fund, the employer can benefit, as a compensatory measure, of a contribution exemption equal to the percentage which would have been accrued as from the 1st January 2007, if the severance pay had not been allocated in the supplementary pension scheme or in the Treasury Fund (0.20%; 0.40% only for industrial executives).

From the year 2008, you can take advantage of the additional exemption, in the same percentage above, set in 0.28 percentage points since the year 2014. This exemption shall apply on contributions by considering a priority order: family allowances, maternity benefits, unemployment benefits and, lastly, on other contributions due to INPS. As of July 2018, the additional contribution increases by 0.5 percentage points during each renewal of the fixed-term contract, even under the administration system.

CONTRIBUTION RATES
INDUSTRY in general (enterprises with over 15 and less than 50 employees)

CSC **1.XX.XX** with C.A. **1S** and CSC **1.13.06 - 1.13.07 - 1.13.08** with C.A. **3N** and **1S**

CONTRIBUTION ITEMS		EMPLOYMENT STATUS			
		Workers	Employees	Travelle rs door- to-door salesme n	Executives
Lower daily earnings limit		48.98	48.98	48.98	135.48
Pension Fund		33.00	33.00	33.00	33.00
New ordinary unemployment benefit (NASpI):					
	Contrib. ex Article 24 Law No. 88/1989	1.31	1.31	1.31	1.31
	Contrib. ex Article 25 Law No. 845/1978	0.30	0.30	0.30	0.30
Guarantee Fund for Severance Pay (TFR-Law No. 297/1982)		0.20	0.20	0.20	0.40
Unique Fund for Family Allowances (CUAF) (*)		0.68	0.68	0.68	0.68
Ordinary income support benefit (CIG)		1.70	1.70	1.70	
Extraordinary income support benefit (CIGS)		0.90	0.90	0.90	
Outplacement benefit					
Sickness benefit		2.22	-	-	-
Maternity benefit		0.46	0.46	0.24	0.46
TOTAL (open-ended contract workers)		40.77	38.55	38.33	36.15
New ordinary unemployment benefit (NASpI) Additional Contrib. Article 2, paragraph 28, Law No. 92/2012					
		1.40	1.40	1.40	1.40
TOTAL (fixed-term contract workers)		42.17	39.95	39.73	37.55
of which of employees' share					
Pension Fund		9.19	9.19	9.19	9.19
Extraordinary income support benefit (CIGS)		0.30	0.30	0.30	-
TOTAL of employees' share		9.49	9.49	9.49	9.19
Exemption granted for the sector:	1.80%				
(*) CUAF	2.48- 1.80=0.68%				

Note:

If the employee allocates, totally or partially, the severance pay (TFR) to supplementary pension schemes or to the Treasury Fund, the employer can benefit, as a compensatory measure, of a contribution exemption equal to the percentage which would have been accrued as from the 1st January 2007, if the severance pay had not been allocated in the supplementary pension scheme or in the Treasury Fund (0.20%; 0.40% only for industrial executives).

From the year 2008, you can take advantage of the additional exemption, in the same percentage above, set in 0.28 percentage points since the year 2014. This exemption shall apply on contributions by considering a priority order: family allowances, maternity benefits, unemployment benefits and, lastly, on other contributions due to INPS. As of July 2018, the additional contribution increases by 0.5 percentage points during each renewal of the fixed-term contract, even under the administration system.

CONTRIBUTION RATES
INDUSTRY in general (enterprises with more than 50 employees)

CSC **1.XX.XX** with C.A. **1S** and CSC **1.13.06 - 1.13.07 - 1.13.08** with C.A. **3N** and **1S**

CONTRIBUTION ITEMS		EMPLOYMENT STATUS			
		Workers	Employees	Travellers door-to-door salesmen	Executives
Lower daily earnings limit		48.98	48.98	48.98	135.48
Pension Fund		33.00	33.00	33.00	33.00
New ordinary unemployment benefit (NASpI):					
	Contrib. ex Article 24 Law No. 88/1989	1.31	1.31	1.31	1.31
	Contrib. ex Article 25 Law No. 845/1978	0.30	0.30	0.30	0.30
Guarantee Fund for Severance Pay (TFR-Law No. 297/1982)		0.20	0.20	0.20	0.40
Unique Fund for Family Allowances (CUAF) (*)		0.68	0.68	0.68	0.68
Ordinary income support benefit (CIG)		2.00	2.00	2.00	
Extraordinary income support benefit (CIGS)		0.90	0.90	0.90	-
Outplacement benefit					
Sickness benefit		2.22	-	-	-
Maternity benefit		0.46	0.46	0.24	0.46
TOTAL		41.07	38.85	38.63	36.15
of which of employees' share					
Pension Fund		9.19	9.19	9.19	9.19
Extraordinary income support benefit (CIGS)		0.30	0.30	0.30	-
TOTAL of employees' share		9.49	9.49	9.49	9.19
Exemption granted for the sector:	1.80%				
(*) CUAF	2.48 - 1.80=0.68%				

Note:

If the employee allocates, totally or partially, the severance pay (TFR) to supplementary pension schemes or to the Treasury Fund, the employer can benefit, as a compensatory measure, of a contribution exemption equal to the percentage which would have been accrued as from the 1st January 2007, if the severance pay had not been allocated in the supplementary pension scheme or in the Treasury Fund (0.20%; 0.40% only for industrial executives).

From the year 2008, you can take advantage of the additional exemption, in the same percentage above, set in 0.28 percentage points since the year 2014. This exemption shall apply on contributions by considering a priority order: family allowances, maternity benefits, unemployment benefits and, lastly, on other contributions due to INPS.

2. Entertainment sector workers

The contribution rate for disability, old-age and survivors' (IVS – Invalidità, Vecchiaia e Superstiti) for the entertainment sector workers and professional sportsmen is in total 33% (employers: 23.81%; workers: 9.19%).

Only for *terpsichorean* and dancers, as well as choreographers and their assistants, registered with the former ENPALS (National Body for social security and Welfare for Workers in the Entertainment sector and sport) after 31st December 1995 and without previous contribution paid in other compulsory pension schemes, the total contribution rate is 35.70% (employers: 25.81% workers. 9.89%).

2.1 Workers registered with compulsory schemes from the 1st January 1996

For 2021, the maximum annual amount to be considered to determine the calculation basis for both the contribution and the benefit, under Article 2, paragraph 18, Law No. 335/1995, is € 103,055.00.

The solidarity contribution rate⁶⁷ of 5% (2.50% on charge of the employers and 2.50% on charge of the workers), is applied only on the annual wage exceeding the aforementioned ceiling (€ 103,055.00).

The additional contribution rate⁶⁸ of 1% on charge of the worker, is applied on the annual wage exceeding, for 2021 € 47,379.00 (which divided in 12 months is equal to € 3,948.00) up to the aforementioned annual ceiling (€ 103,055.00).

2.2 Workers registered with compulsory schemes before the 1st January 1996

The maximum daily amount subject to taxation is equal to € 751.00. Consequently, for 2021, the daily earning brackets and the related upper ceilings are adjusted as follows:

⁶⁷ Stated by Article 1, paragraph 14, Legislative Decree No. 182/1997.

⁶⁸ Under Article 3-ter Law Decree No. 384/1992, converted in Law No. 438/1992.

Year 2021			
Daily earning brackets		Taxable upper daily ceiling	Days of credited contribution
from €	to €	€	
751.01	1,502.01	751.00	1
1,502.01	3,755.00	1,502.00	2
3,755.01	6,008.00	2,253.00	3
6,008.01	8,261.00	3,004.00	4
8,261.01	10,514.00	3,755.00	5
10,514.01	13,518.00	4,506.00	6
13,518.01	16,522.00	5,257.00	7
16,522.01	over	6,008.00	8

The solidarity contribution⁶⁹ rate of 5% (2.50% on charge of the employers and 2.50% on charge of the workers), is applied on the taxable daily earning exceeding the upper ceiling of the above-mentioned brackets.

The additional contribution rate of 1% on charge of the worker is applied on the daily earning exceeding, for 2021, € 152.00 up to the upper ceiling of the above-mentioned brackets.

Maternity and sickness contribution for workers in the entertainment sector with fixed-term employment contract

For the year 2021, the upper daily earnings limit⁷⁰, to be considered in order to determine the sickness and maternity benefit insurance contributions for these workers, is equal to € 67.14.

3. Professional Sportsmen

(Law No. 366 of 14th June 1973; Legislative Decree No. 166/1997; Legislative Decree No. 182/1997)

3.1 Workers newly registered with compulsory schemes from 1st January 1996

For the year 2021 the upper annual earnings ceiling, to be considered in order to determine both the contribution and benefit calculation basis⁷¹ is €

⁶⁹ Under Article 1, paragraph 8, Legislative Decree No. 182/1997.

⁷⁰ Under Article 6, paragraph 15, Law Decree No. 536 of 30th December 1987, converted into Law No. 48 of 29th February 1988.

⁷¹ Under Article 2, paragraph 18, Law No. 335/1995,

103,055.00

The additional contribution rate⁷² of 1% on charge of the worker, is applied on the annual earning exceeding, for 2021, € 47,379.00 (which divided in 12 months is equal to € 3,948.00) up to the aforementioned upper annual ceiling (€ 103,055.00).

The Budget Law for 2018⁷³, provided for a gradual increase in the solidarity contribution rate⁷⁴, starting from 1st January 2018, to the extent of 1.5% (of which 0.75% to be paid by the employer and 0.75 by the employee) and starting from 1st January 2020, to the extent of 3.1% (of which 1% to be paid by the employer and 2.1 by the worker). It applies only on the annual earning exceeding the aforementioned upper ceiling of € 103,055.00 up to the annual amount of € 751,278.00.

3.2 Workers registered with compulsory schemes before 1st January 1996

The taxable upper daily ceiling earning is equal to € 330.00 (€ 103,055.00/312 days).

The Budget Law for 2018⁷⁵, provided for a gradual increase in the solidarity contribution rate⁷⁶, starting from 1st January 2018, to the extent of 1.5% (of which 0.75% to be paid by the employer and 0.75 by the employee) and starting from 1st January 2020, to the extent of 3.1% (of which 1% to be paid by the employer and 2.1 by the worker). It applies⁷⁷ only on the daily earning exceeding the aforementioned upper daily ceiling of € 330.00 up to the daily amount of € 2,408.00. The additional contribution rate of 1% on charge of the worker applies on the daily earning exceeding, for 2021, € 152.00 up to the aforementioned daily ceiling (€ 330.00).

⁷² Under Article 3-ter, Law Decree No. 384/1992, converted into Law No. 438/1992.

⁷³ Article 1, paragraph 374, letter b) Budget Law for 2018.

⁷⁴ Provided by Article 6, paragraph 15, Law Decree No. 536 of 30th December 1987, converted into Law No. 48 of 29th February 1988.

⁷⁵ Article 1, paragraph 374, letter b) Budget Law for 2018.

⁷⁶ Provided by Article 6, paragraph 15, Law Decree No. 536 of 30th December 1987, converted into Law No. 48 of 29th February 1988.

⁷⁷ Under Article 3-ter, Law Decree No. 384/92, converted into Law No. 438/1992.

4. Self-Employed workers

(Law No. 662/96, Article 1, paragraph 202 ss. (traders)
Law No. 463/59; Law No. 443/85 (artisans)

4.1 Artisans and traders

The workers, who perform on a continuous and prevalence basis an entrepreneurial working activity as artisans or traders⁷⁸, both in individual and associated form, registered with the Chamber of Commerce (CCIAA), pay contributions to the Special Schemes for artisans and traders. If these workers usually collaborate with relatives and similar within the third degree, they must comply with the contribution obligation also for them.

For 2020 and 2021, the lower yearly income to be considered for the Invalidity, old age and survivor's (IVS) contribution calculation for artisans and traders is equal to € 15,953.00. Starting from this minimum income and until the first bracket of yearly pensionable income, € 47,379.00, it is applied a specific rate which varies over the mentioned bracket.

The upper yearly income for IVS contributions is equal to € 78,965.00 for workers already registered with the Scheme on 1st January 1996; and € 103,055.00 for workers registered after 1st January 1996.

The IVS contribution rate for 2020 for artisans and traders is equal to:

Workers	Income €	Artisans %	Traders %
Holders of all ages and adjuvants/assistants over the age of 21 years	up to 47,379.00	24,00	24,09
	from 47,379.00	25.00	25.09
Holders of all ages and adjuvants/assistants under the age of 21	up to 47,379.00	21,90	21.99
	from 47,379.00	22.90	22.99

⁷⁸ Under Article 49 Law No. 88/89,

The IVS contribution rate for 2021 for artisans and traders is equal to:

Workers	Income €	Artisans %	Traders %
Holders of all ages and adjuvants/assistants over the age of 21 years	up to 47,379.00	24.00	24.09
	from 47,379.00	25.00	25.09
Holders of all ages and adjuvants/assistants under the age of 21	up to 47,379.00	22.35	22.35
	from 47,379.00	23.35	23.35

In the case of incomes higher than € 47,379.00 per year, the increase of the rate of one percentage point is confirmed, as stated by Article 3-ter, Law No. 438 of 14th November 1992.

Workers registered with the Traders' Scheme shall pay an extra contribution rate of 0.09% to ensure compensation in case of permanent cessation of commercial activity. The obligation to pay this contribution has become permanent as per the 2019 Budget Law; this contribution will finance the relevant Fund.

In addition, workers registered with Artisans and Traders Scheme shall pay a contribution for maternity benefits of € 0.62 per month, equal to € 7.44 per year.

Law No. 190/2014, as amended by Law No. 208/2015, regulates the lighter regime for social security contributions, for workers who satisfy requirements and are in the conditions set out in paragraph 54 and subsequent.

This lighter regime is optional and on request. It provides for 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 level⁷⁹.

Also for 2021, the 35% reduction in the contribution due on income within the minimum annual amount and on the exceeding income has been confirmed for those who in 2020 were already beneficiaries of the lighter regime provided that the requirements for the tax relief remain and there is not an expressed waiver of it.

⁷⁹ As provided for by Article 1, paragraph 3, Law No. 233 of 2nd August 1990.

4.2 Farmers, sharecroppers, settlers and agricultural entrepreneurs

(Article 12, paragraph 4 and Article 7, Law No. 233 of 2nd August 1990)

The calculation of IVS contributions to be paid by farmers, sharecroppers, settlers and agricultural entrepreneurs, depends on the company classification; companies are, in fact, divided in four categories on the basis of conventional income, as indicated in "Table D" attached to Law No. 233/90⁸⁰.

The contribution amount is determined by multiplying the conventional average income⁸¹, calculated⁸² on the basis of the average daily remuneration of agricultural workers, by the number of work days indicated in the above cited "Table D", according to the conventional income bracket of the company and by applying, to the resulting amount, a percentage rate.

The conventional average income for 2020, being updated for 2021, is € 59.45.

Contribution rates for the financing and calculation

The percentage rates to be applied to the above said conventional average income for farmers, sharecroppers, settlers and agricultural entrepreneurs, registered with their specific INPS scheme, have been adjusted⁸³ starting from 1st January 2012 as indicated in the following tables B and C:

Table B – Financing rate				
	Normal area		Disadvantaged area	
Year	>21 years of age	<21 years of age	>21 years of age	<21 years of age
As from 2020 for all regardless of the area and the age	24.0%	24.0%	24.0%	24.0%
As from 2021 for all regardless of the area and the age	24.0%	24.0%	24.0%	24.0%

⁸⁰ Article 12, paragraph 4, Law No. 233 of 2nd August 1990.

⁸¹ Under Article 7 of Law No. 233/1990.

⁸² Annually stated by the Ministry of Labour and Social Policy Decree.

⁸³ Article 24, paragraph 23, La Decree No. 201/2011, converted by Law No. 214/2011.

Table C – Calculation rate	
Year	Rate
As from 2020 for all regardless of the area and the age	24.0% ⁸⁴
As from 2021 for all regardless of the area and the age	24.0% ⁸⁵

For 2020 and 2021, the additional contribution⁸⁶ is € 0.68 per day.

Contribution for pregnancy and maternity

The annual contribution⁸⁷ for covering the daily allowance for pregnancy and maternity is set at € 7.49⁸⁸ also for 2020 and 2021; it has to be paid for each active unit registered with the special scheme.

Contribution	Normal areas	Mountain territories/ disadvantaged areas
1. IVS contribution + additional IVS contribution according to Law No. 233/90 (percentages calculated with reference to the "conventional average income")*	24%	24%
2. Additional IVS contribution according to Law No. 160/75 (for maximum 156 days per year)*	€ 0.68	€ 0.68
3. allowance for pregnancy and maternity (fixed amount per active unit)*	€ 7.49	€ 7.49
4. INAIL insurance (fixed amount per active unit)*	€ 768.50	€ 532.18

* *The agricultural entrepreneurs (imprenditori agricoli professionali (IAP)) shall pay IVS contributions referred to in points 1 and 2 and contributions for pregnancy and maternity referred to in point 3, excluding contribution for INAIL referred to in point 4.*

4.3 Self-employed fishermen (Law No. 250 of 13rd March of 1958)

Self-employed fishermen and members of cooperatives of small-scale fisheries as per Law No. 250 of 13th March 1958:

⁸⁴ Including an additional contribution of 2%, according to Article 12, paragraph 4, Law No. 233 of 2nd August 1990.

⁸⁵ Including an additional contribution of 2%, according to Article 12, paragraph 4, Law No. 233 of 2nd August 1990.

⁸⁶ Article 17, paragraph 1, Law No. 160 of 3rd June 1975.

⁸⁷ Article 66 of Legisla

tive Decree 26th March 2001, No. 151, Consolidated Text (Testo Unico) on Maternity

⁸⁸ Article 49 Law No. 488 of 23rd December 1999.

Years 2020 - 2021	Conventional remuneration
Measured on a daily basis	27,21 €
Measured on a monthly (25 days x 27,21) basis	680,00 €
Contribution rate	14.90%
Monthly contribution calculated by applying the contribution rate to the conventional remuneration	€ 101,32
Yearly maternity contribution (0,62 x 12)	€ 7.44

4.4 Workers registered with the Separate Scheme (Gestione separata)

(Article 2, paragraph 26, Law No. 335/1995)

(Article 7, Law No. 81 of 22nd May 2017 (Jobs Act Self-employed))

(Article 1, paragraph 398, Law no. 178 of 30th December 2020, 2021 Budget Law)

Article 2, paragraph 57, Law No. 92, 28th June 2012, provided the contribution and calculation rate for the freelancers and similar workers, exclusively registered with the Separate scheme, under Article 2, paragraph 26, Law No. 335/95. This rate has been equal to 33% for 2018, 2019 and 2020. No amendments have been made for 2021 so the contribution and calculation rate remain 33%.

The contribution rate for financing maternity benefits, family allowances, sickness benefits and hospitalization and parental leave addressed to the workers who are not already registered with another compulsory pension scheme or retired, is equal to 0.72%⁸⁹.

Article 7, Law No. 81 of 22nd May 2017, starting from 1st July 2017, provided for an additional contribution rate of 0.51% for collaborators, research grant holders and doctoral students with scholarships, owners of the administrative offices, statutory auditors and revisers, registered exclusively to the Separate Scheme, not retired and not registered for VAT purposes.

Under the above mentioned Law, the contribution rates, which must be paid to the Separate Scheme by the client companies⁹⁰ in 2021, are the following:

⁸⁹ Article 59, paragraph 16, Law No. 449/1997.

⁹⁰ Referred to Article 2, paragraph 26, Law No. 335/1995

Code	Type of work relationship*	Rates						
	Workers who are registered exclusively with the Separate Scheme, are not pensioners and do not have a VAT registration number	IVS 2020	IVS 2021	Sickness, maternity and family allowance	Maternity	dis-coll	total 2020	total 2021
1A 1E	COMPANY MANAGING DIRECTOR, ASSOCIATION AND OTHER BODIES WITH OR WITHOUT LEGAL ENTITY	33	33	0,5	0,22	0,51	34,23	34,23
1B	STATUTORY AUDITOR, ASSOCIATION AND OTHER BODIES WITH OR WITHOUT LEGAL ENTITY	33	33	0,5	0,22	0,51	34,23	34,23
1C	COMPANY AUDITOR, ASSOCIATION AND OTHER BODIES WITH OR WITHOUT LEGAL ENTITY	33	33	0,5	0,22	0,51	34,23	34,23
1D	COMPANY LIQUIDATOR	33	33	0,5	0,22	0,51	34,23	34,23
02	COLLABORATOR OF NEWSPAPER, MAGAZINES, ENCYCLOPEDIAS AND SIMILAR	33	33	0,5	0,22	0,51	34,23	34,23
03	PARTECIPANT IN COLLEGIUMS AND COMMISSIONS	33	33	0,5	0,22		33,72	33,72
04	ADMINISTRATOR OF LOCAL AUTHORITIES (MINISTERIAL DECREE OF 25TH MAY 2001)	33	33	0,5	0,22		33,72	33,72
05	PH.D, RESEARCH STUDY. SCHOLARSHIP PAID BY...	33	33	0,5	0,22	0,51	34,23	34,23
06	ATYPICAL WORKER WITH COLLABORATION OR PROJECT CONTRACTS, INCLUDING WORKER WITH COLLABORATION ON OCCASIONAL BASIS (CO.CO.CO AND CO.CO.PRO)	33	33	0,5	0,22	0,51	34,23	34,23
07	DOORSTEP SELLER	33	33	0,5	0,22		33,72	33,72
09	AUTONOMOUS COLLABORATION ON OCCASIONAL BASIS (ARTICLE 44, LAW NO. 326/2003)	33	33	0,5	0,22		33,72	33,72
10	PENSIONERS OR PEOPLE AGED OVER 65							
12	PROROGATION OF COLLABORATION CONTRACTS OF ATYPICAL WORK	33	33	0,5	0,22	0,51	34,23	34,23
13	ASSOCIATE BUSINESS PARTNERSHIP (from 2004 to 2015)	33	33	0,5	0,22			33,72
14	SPECIALIST TRAINING	33	33	0,5	0,22			33,72
17	PARLIAMENTARY ADVISOR	33	33	0,5	0,22	0,51		34,23
18	ATYPICAL WORK WITH COLLABORATION CONTRACT - LEGISLATIVE DECREE NO. 81/2015	33	33	0,5	0,22	0,51		34,23

The Budget Law for 2017⁹¹, set, starting from 2017, at 25% the contribution rate⁹² for self-employed workers, registered both with VAT purposes and with the Separate Scheme as well as not registered with other compulsory pension schemes or retired.

Article 1, paragraph 398, of Law no. 178, containing "State budget for the financial year 2021 and multi-year budget for the three-year period 2021-2023", provides for an increase in the contribution rate referred to in Article 59, paragraph 16, of Law no. 449/1997, equal to 0.26% for 2021 and to 0.51% for 2022 and 2023. This contribution is on charge of self-employed workers, who carry out abitually self-employment activity referred to in paragraph 1 of article 53 of the consolidated income tax law, pursuant to the decree of the President of the Republic of 22 December 1986, n. 917 (TUIR), registered with the separate scheme and not registered with other pension funds, nor retired.

The contribution is aimed at meeting the costs arising from the application of paragraph 386 of the same article 1 of law no. 178/2020, which provided for the payment by the Institute of the extraordinary indemnity for income and operational continuity (ISCRO - Istituto Indennità Straordinaria di Reddito e Continuità Operativa).

Therefore, for 2021 the rates are:

- 25% for disability, old age and survivors as per Article 1, paragraph 165, of Law no. 232;
- 0.72% additional contribution rate as per Article 59, paragraph 16, of Law no. 449/1997 (protection relating to maternity allowance, family unit allowance, hospital stay, sickness and parental leave) and per article 7 of the ministerial decree of 12 July 2007, implementing the provisions of paragraph 791, single article , of the law n. 296/2006;
- 0.26 % additional contribution rate for "ISCRO" as per Article 1, paragraph 398, of Law no. 178/2020.

⁹¹ Article 1, paragraph 165, Budget Law for 2017.

⁹² Under Article 1, paragraph 79, Law No. 247 of 24th December 2007, and following amendments

FREELANCERS AND PENSIONERS	contribution rate
Freelancers not registered with other forms of compulsory social security scheme	25,72% (25% IVS + 0,72 additional contribution rate+0.26 ISCRO)
Freelancers also registered with other forms of compulsory social security scheme or retired	24%

Maximum and minimum annual income

For 2021, the maximum annual income⁹³ is equal to € 103,055.00.

For 2021, the minimal income⁹⁴ is equal to € 15,953.00.

Therefore, according to the specific rates applied to the above-cited categories, the minimum annual contributions are calculated as follows:

MINIMUM YEARLY INCOME €	RATE %	MINIMUM YEARLY CONTRIBUTION €
15,953.00	24	3.828,72
15,953.00	25,98	4.144,59 (IVS 3.988,25)
15,953.00	33,72	5.379,35 (IVS 5.264,52)
15,953.00	34,23	5.460,71 (IVS 5.264,52)

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

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

⁹³ Stated by Article 2, paragraph 18, of Law No. 335/95,

⁹⁴ Stated by Article 1, paragraph 3, Law No. 233/90,

WELFARE-BASED BENEFITS

Unlike social security benefits, based on insurance relationships and financed with contributions from active workers and public and private companies, welfare-based benefits are economic benefits of a social nature to which one is entitled in particular difficult situations.

INPS manages the following economic welfare-based benefits to support individuals and families who do not have sufficient resources to guarantee the basic need satisfaction or who are in temporary situation of emergency:

- Citizenship basic income (Reddito di Cittadinanza – RdC) and Basic pension (Pensione di Cittadinanza – PdC)
- REI - Income for Active Inclusion
- Minimum income supplement
- Social allowance
- Fourteenth month's payment
- Social supplement
- Bonus - Tax credit

WELFARE-BASE BENEFITS

a) Changes made during the reference period.

Citizenship Basic Income and Basic Pension (Rdc/PdC)

(Article 1, Decree Law No. 4/2019 converted, with integrations and modifications, by Law No. 26/2019)

Art.1 of Decree Law n. 4/2019 introduced, from April 2019, the Citizenship basic Income (RdC), as a measure to fight poverty and support families in need, aimed at reintegration into the labor market and social inclusion. The economic allowance, after checking the legal requirements, is monthly credited into the RdC Card, a new prepaid card, specially issued.

The Benefit is conditional on the Immediate Availability Declaration (DID), made by the members of the family, and on the subsequent signing of the Work Agreement at the Employment Centre. However, the following are excluded from these obligations:

- minors;
- beneficiaries of the retired RdC;
- beneficiaries of the PdC;
- persons over the age of 65 years;
- persons with disabilities⁹⁵, if targeted placement is not envisaged;
- subjects already employed or attending a regular course of study or training.

⁹⁵ As defined pursuant to Law n. 68 of March 12, 1999.

Persons with care burden may be exempted by the Employment Centers, if they deal with family members under the age of three or housebound and care-dependent – not self-sufficient - disabled people.

Recipients

Households whose members are:

- Italian or European Union citizens;
- third-country nationals with long-term EU residence permit, or beneficiaries of international or stateless protection;
- third-country nationals, with residence permit or permanent residence permit, and relatives of an Italian or European Union citizen

The applicant must have been residing in Italy for at least 10 years, and continuously over the last 2 years.

Economic requirements

- ISEE value (ordinary or current ISEE, if any) lower than € 9,360;
- real estate assets, other than first and home of residence, not exceeding € 30,000;
- moveable assets not exceeding € 6,000 for households with a single person; € 8,000 for households of two persons; € 10,000, for household composed of three or more people, increased by € 1,000 for each child starting from the third. If the family has one or more disabled persons, the above-mentioned ceilings increase by 5,000 euros for each disabled person and 7,500 euros for each disabled person suffering from serious disability or care-dependent;
- family income not exceeding the annual thresholds established by law (6,000 euros for RdC; 7,560 for PdC; 9,360 euros if the family resides in a rented house). In compliance with the ISEE regulation (D.P.C.M.n.159 of 2013, and subsequent amendments), social assistance allowances granted to any household members are not considering as an income. On the other hand, income from work in progress at the time of application is considered.

Inps verifies these requirements through a valid ISEE (Equivalent economic status indicator- a means-tested system). The investigation is automated and ends within after the month following the transmission of the application.

Benefit amount

The amount of benefit is given by the sum of A and B quotas or portions. The A quota is the family income supplement, while B is a contribution for rent or mortgage, based on the financial family information described by the ISEE.

- Quota A, i.e. the income supplement, can reach a maximum of 6,000€ per year, multiplied by the "equivalence scale" for the RdC, per year in the event of a Citizenship basic Income;
- Quota B, in the case of rental house, cannot exceed € 3,360 per year - € 280 per month for the RdC and in case of mortgage, it can reach 1,800€ per year -150€ per month.

The equivalence scale excludes:

- a) individuals who are in detention or in long-term care institutions or other residential structures fully charged to the State or other PA;
- b) unemployed family members who voluntary resigned, within the 12 months following the date of resignation, except for resignation for cause, or family members subjected to a personal precautionary measure, as well as a definitive sentence occurring in the 10 years preceding the request for the crimes provided for by the Articles. 270-bis, 280, 289-bis, 416-bis, 416-ter, 422 and 640 bis of the penal code.

The total benefit amount cannot exceed a threshold of 9,360 euros per year, multiplied by the equivalence scale for the RdC, reduced by the value of the family income.

Moreover, the benefit cannot be less than 480,00€ per year (40.00€ per month).

The benefit is paid monthly through a prepaid card, managed by Poste Italiane⁹⁶ (Italian Postal Service). This card allows you to make cash withdrawals within a monthly ceiling of € 100, multiplied by the equivalence scale for RdC.

Effective date and duration of the benefit

Beneficiaries of RdC begin to receive the allowance the month following the application and it is granted for 18 months⁹⁷, except in cases foreseen by law (situations that happen before the expiration date). It can be renewed for an additional 18 months, but the payment must be suspended one month before renewal.

In compliance with the income and property thresholds established by law, the household can receive the RdC even if its members carry out work activities, receive pension or NASPI⁹⁸ (special temporary unemployment allowance) allowance or any other income support for involuntary unemployment.

The RdC is compatible with work activity.

An additional benefit of 6 months is granted to RdC beneficiaries who start up self-employed activities or business, within the limits of 780,00€ per month.

A fund called "Citizenship Income Fund" has been set up to finance this benefit.

The RdC becomes Pension of Citizenship (PdC,) if all the members of the family are aged 67 or over, or if there are members under the age of 67 with serious disability, or care-dependent and not self-sufficient.

⁹⁶ And its beneficiaries are granted lower electricity tariffs and special compensation for the supply of natural gas granted to economically disadvantaged families.

⁹⁷ Art. 3, coo. 4 and 6 of Lgs. Decree n. 4/2019

⁹⁸ Art. 1, Lgs. Decree no. 22 of March 4, 2015

The PdC does not have the maximum duration limit of 18 months envisaged for the RdC: this allowance is provided, without limit of duration, provided that the legal requirements are fulfilled.

Minimum income supplement

(Law No. 638/1983)

The minimum income supplement is a State supplement, paid by INPS, when the pension amount resulting from the calculation of contributions accrued, is lower than an amount which is considered the "minimum subsistence". This minimum amount for 2021 and 2021 is € 515.58 per month (€ 6,702.54 per year).

Minimum income supplement is granted to Italian and foreign pensioners who have 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 ceiling set annually by law, pensioners may be entitled to a supplement amount. If the pensioner's income or the household income are slightly higher than the minimum ceiling, the supplement amount can be partial.

Minimum income supplement is not portable to countries covered by European regulations for social security system coordination, but it can be portable to other Countries under certain conditions.

It should be noted that pensions under contribution-related calculation system (for workers first insured as from 1st January 1996) cannot be integrated to the minimum income supplement.

The following table shows the income ceilings, both for single and married pensioners, to benefit from the minimum income supplement.

Income ceiling for minimum income supplement - Employees' pension fund
(article 6, law no. 638/1983)

UNMARRIED PENSIONER			
Year	single household's income ceiling excluding minimum income supplement	single household's income ceiling, allowing total minimum supplement	single household's income ceiling, allowing total and partial minimum supplement, depending on pension amount
2020	over € 13,405.08	up to € 6,702.54	over € 6,702.54 up to € 13,405.08
2021	over € 13,405.08	up to € 6,702.54	over € 6,702.54 up to € 13,405.08

MARRIED PENSIONER			
A) PENSIONS STARTING DATE UP UNTIL 1994			
Year	married couple household's income ceiling excluding minimum income supplement	married couple household's income ceiling, allowing total minimum supplement	married couple household's income ceiling, allowing total and partial minimum supplement, depending on pension amount
2020	over € 33,512.70	up to € 26,810.16	from € 26,810.16 up to € 33,512.70
2021	over € 33,512.70	up to € 26,810.16	from € 26,810.16 up to € 33,512.70

For pensions, with a starting date in the year 1994, payed, to married couple household's not legally and effectively separated, the minimum income supplement is not due if the pensioners:

- have their own income higher than 2 times the minimum annual amount equal to 13 times the monthly amount in force on 1st January, or
- have a cumulated income, with the spouse, higher than 5 times the aforementioned annual minimum (Article 4, Legislative Decree no. 503 of 30th December 1992, as modified by article 11, paragraph 38 of the law no. 537 of 24th December 1993).

B) PENSIONS STARTING DATE AFTER YEAR 1994			
Year	married couple household's income ceiling excluding minimum income supplement	married couple household's income ceiling, allowing total minimum supplement	married couple household's income ceiling, allowing total and partial minimum supplement, depending on pension amount
2020	over € 26,810.16	up to € 20,107.62	from € 20,107.62 up to € 26,810.16
2021	over € 26,810.16	up to € 20,107.62	from € 20,107.62 up to € 26,810.16

For pensions, with a starting date after 1994, payed, to married couple household's not legally and effectively separated, the minimum income supplement is not due if the pensioners:

- have their own income higher than 2 times the minimum annual amount equal to 13 times the monthly amount in force on 1st January, or
- have a cumulated income, with the spouse, higher than 4 times the aforementioned annual minimum (Article 2, paragraph 14, Law No. 335 of 8th August of 1995).

Social allowance (*Assegno sociale*)

(Article 3, paragraph 6, Law No. 335/1995)

As from 1st January 1996, the social allowance replaced the social pension.

The social allowance is a welfare-based benefit that completely disregards the payment of contributions and is paid, upon application submission, to elderly Italian and foreign citizens who are in difficult economic conditions.

The entitlement to benefits is based on the assessment of personal income, for unmarried citizens, and of the family income with that of the spouse, for married citizens.

The social allowance is temporarily granted, since an annual verification of the income requirements and actual residence in the State is carried out. It does not revert to surviving family members (it does not entitle the beneficiary's heirs to a survivor pension) and is not exportable, therefore it cannot be paid abroad. A stay abroad lasting longer than 29 days entails its suspension. After one year from suspension, the social allowance is cancelled.

If the beneficiary is hospitalized in institutions or communities with fees paid by public bodies, the social allowance is reduced up to a maximum of 50%.

The social allowance is not subject to IRPEF tax (tax on personal income).

To be entitled to the social allowance, the following requirements have to be fulfilled:

- 67 years old;
- state of financial need;
- Italian citizenship (and Republic of San Marino citizens);
- for EU citizens⁹⁹, Swiss citizens and citizens of the European Economic Area: registration after three months of stay in the national territory under the conditions set out in articles 7 and 9 of Legislative Decree no. 30 of February 6, 2007;
- for non-EU citizens, EC residence permit for long-term residents (ex-residence card);
- actual and habitual residence in Italy;

⁹⁹ The benefit is granted to family members of the EU citizens who are not nationals of a member state of the E.U. legally residing in Italy (art. 19, paragraphs 2 and 3, of Lgs. Decree no. 30/2007).

- continuous legal residence for at least 10 years in the national territory;
- Foreigners or stateless persons who have political refugee or subsidiary protection status and their respective spouses: they must possess, at the time of application, the documentation assessing the status of political refugee or admitted to the status of subsidiary protection.

Social pension and social allowance amounts

The payment of the allowance starts from the first day of the month following the application, if all the requirements established by law are fulfilled.

The maximum allowance for 2020 and 2021 is 460.28 € per month (for 13 months); for 2020 is 459.83 € per month (for 13 months). The actual amount is equal to the difference between the annual social allowance amount and the annual income (2020 and 2021: 5,983.64 € per year; 11,967.28 € if married).

SOCIAL ALLOWANCE INCOME CEILINGS AND CALCULATION OF THE MONTHLY AMOUNT				
Anno	for single household (RC*)		for married couple household's (RP**)	
	<i>Yearly income (RC)</i>	<i>Monthly amount (RC)</i>	<i>Yearly income (RP)</i>	<i>Monthly amount (RP)</i>
2020	Zero	460,28	Zero	460,28
	> 5.983,64	Zero	> 11.967,28	Zero
	< 5.983,64	$(5.983,64 - RP) / 13$	< 11.967,28	$(11.967,28 - RC) / 13$
2021	Zero	460,28	Zero	460,28
	> 5.983,64	Zero	> 11.967,28	Zero
	< 5.983,64	$(5.983,64 - RP) / 13$	< 11.967,28	$(11.967,28 - RC) / 13$

*RP = couple income (married pensioner)

**RC = Single income (unmarried pensioner)

Fourteenth month payment (Quattordicesima)

(Article 5, paragraphs 1-4, Law Decree No. 81 of 2nd July 2007 - Law No. 127 of 3rd August 2007)

It is an additional annual sum paid to pensioners entitled to one or more retirement benefits from the compulsory general insurance (AGO) scheme or from the replacing, excluding and integrating the AGO Scheme.

Interested retirement benefits:

- old-age pension;
- early retirement benefits;
- ordinary disability allowance and disability pension;
- survivors' pension.

Age requirements

Beneficiaries shall be at least 64 years old.

Means-testing and benefit amount

The benefit amount depends on the beneficiaries' credited contributions and on their annual income, (only personal income is considered), which must be, in relation to the years of contribution, lower than the limits below:

2020 and 2021 (monthly minimum pension (TM) € 515.58- Annual minimum pension (TM) € 6,702.54)			
Years of contribution		Yearly TM x 1.5	from yearly TM x 1.5 up to yearly TM x 2
Employees	Self-employed workers	fino a € 10,053.81	Tra € 10,053.82 fino a € 13,405.08
≤ 15 years (≤ 780 ctr.)	≤ 18 years (≤ 936 ctr.)	€ 437.00	€ 336.00
> 15 ≤ 25 years (≥ 781 ≤ 1,300 ctr)	> 18 ≤ 28 years (≥ 937 ≤ 1,456 ctr.)	€ 546.00	€ 420.00
> 25 years (≥ 1,301 ctr.)	> 28 years (≥ 1,457 ctr.)	€ 655.00	€ 504.00

Social supplement (*maggiorazione sociale*)

(Article 1, Law No. 544 of 29th December 1988, integrated by Article 70, Law No. 388/200 and by Article 38, Law No. 44/2001)

It is a welfare-based supplement of the pension. It is paid to disadvantaged people, beneficiaries of direct pension (old age, inability and invalidity ordinary allowance) and of survivors' pensions, including pensions with an amount higher than the minimum pension. Regardless the nationality, if entitled to

the social supplement providing that their personal and family income does not exceed the ceiling set for by law and they satisfy the age requirements. Unlike pensions, which are adjusted every year, the social supplement is fixed and exempt from personal income tax.

The social supplement amounts differ in relation to the age requirements:

Social supplement and its increase*			
Age	Monthly amount (€)		
	supplement	increase	total
60	25.83	-	25.83
60 disable	25.83	110.61	136.44
64 disable	25.83	98.61	124.44
65	82.64	-	82.64
65/69 disable or with contributions	82.64	41.80	124.44
70	82.64	41.80	124.44
75	92.97	31.47	124.44

* the social supplement increase, introduced as of 1st January 2002, is paid to all the entitled pensioners upon completion of 70 years; it is paid to 60-year-old pensioners only if they are disable.

Income ceiling to be entitled to social supplement

Year	MIS €	AS €	Personal income ceiling €	Couple household's income ceiling €
2020	6,702.54	5,983.64	8,476.26	14,459.90
2021	6,702.54	5,983.64	8,476.26	14,459.90

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

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

Monthly amount of the due social supplement
Social supplement amount 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 the cumulative income if married people.
[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.*

TAX BENEFIT

Tax benefit (*Agevolazione fiscale*)

(Decree-Law 5 February 2020, n.3, converted, with amendments, by law 2 April 2020, n.21)

The decree-law no. 3 of 5th February 2020, converted, with modifications, by the law no. 21 of 2nd April 2020, provides as of 1st July 2020 two distinct tax benefits in favor of earners of employment income and of certain similar income, in place of the 80 euro bonus provided for by the decree-law no. 66 of 24th April 2014, converted, with amendments, by law no. 89 of 23rd June 2014, which is therefore repealed from the same effective date.

The benefit consists in the following measures:

- a supplement of income equal to 100 euros per month, for a maximum amount of 600 euros with reference to the second half of 2020, and a maximum amount of 1,200 euros per year as of 2021 for income not exceeding the total amount of 28,000 euros per year;
- an additional deduction from the gross tax on a temporary basis, from 1st July 2020 to 31st December 2020, equal to 600 euros in correspondence with a total annual income exceeding 28,000 euros. This deduction decreases linearly until zeroing upon reaching an overall income equal to 40,000 euros per year.

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

Nothing to report

c) Research (including evaluation), completed or initiated

Nothing to report

NOTE ON THE REFERENCE WAGE

As already highlighted in the 2020 note, the methodology considers the employees' data available in the Statistical Observatories databases on the INPS Portal, in the section "Wages and paid periods in the year". In particular, it has been considered the economic activity of the company where the worker has been working. The companies are classified on the basis of the ISTAT Ateco 2007 code.

According Article 65 of the European Social Security Code, it has been decided to refer to paragraph 6 (a). Therefore, the information on full-time male employees, qualified as workers on the basis of the 2007 Ateco Section - Manufacturing Activities (cod.C) - Division: Manufacture of Machinery and Equipment nec (code 28), have been taken out from the database.

For this Division the database information for 2020 (provisional data) are:

MANUFACTURING ACTIVITIES¹⁰⁰ 2019: full-time male worker	N. WORKERS IN THE YEAR	YEARLY WAGE	N. OF PAID YEARLY WORKING
Manufacture of electrical machinery and apparatus n.e.c.	160,338	4,245,440,858	43,410,093

On the basis of this information it has been possible to calculate the average yearly wage of a full-time male worker employed in the considered Division, taking into account that one working year corresponds to 312 working days. The database, now, does not allow distinguishing the skilled worker from the unskilled one as it does not contain information on the task performed. Therefore, the wages of the two types of workers have been assessed based on the different average costs stated in the D.D. No. 56/2019 of the Ministry of Labour and Social Policies (latest update available). The percent differential between the 1st level worker (unskilled) wage and the 3rd level one (skilled) stated in the Decree has been applied to the average wage recorded in the

¹⁰⁰ Section ATECO 2007: Manufacturing activities

database.

Starting from the 2020 reference wages of € 27,452.31 (unskilled) and € 33,573.94 (skilled), respectively, the wage of the entire working life has been extrapolated backwards by applying the rates of change of the gross wages index for ULA (ISTAT) for the manufacturing sector.

In absence of the rates of change in the gross wages for older periods, a proxy was adopted consisting of the consumer price index change for the families of workers and employees, increased by 1.0%, the latter parameter estimated on the basis of the contractual dynamics of the last 15 years.