

## Italy

Exchange rate: US\$1.00 = 0.77 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1919.

**Current laws:** 1995 (pension), 2005, 2008, 2009, 2010, and 2011.

**Type of program:** Notional defined contribution (NDC) and social insurance system.

#### Coverage

**Notional defined contribution (NDC):** All employed persons, including household employees, whose insurance period began on or after January 1, 1996.

Voluntary coverage for contract and professional workers not covered by any specific fund.

Special systems for public-sector workers and self-employed persons.

**Mixed social insurance and NDC:** All employed persons, including household employees, with less than 18 years of contributions as of December 31, 1995.

Voluntary coverage for contract and professional workers not covered by any specific fund.

Special systems for public-sector workers and self-employed persons.

**Social insurance:** All employed persons, including household employees, with at least 18 years of contributions as of December 31, 1995.

Voluntary coverage for contract and professional workers not covered by any specific fund.

Special systems for public-sector workers and self-employed persons.

#### Source of Funds

**Insured person:** 9.19% of gross earnings.

The daily minimum earnings used to calculate contributions for workers in industry are €44.49 or the daily minimum wage, whichever is greater.

The daily minimum wage varies by sector of employment.

For those insured before 1996, contributions are calculated on all earnings. For persons entering the system on or after January 1, 1996, the maximum earnings used to calculate contributions are €93,622 a year.

**Self-employed person:** Not applicable.

**Employer:** 23.81% of gross payroll. (A lower contribution rate is paid by some employers, including employers in certain economically depressed areas.)

The daily minimum earnings used to calculate contributions for workers in industry are €45.70 or the daily minimum wage, whichever is greater.

The daily minimum wage varies by sector and category of employment.

For those insured before 1996, contributions are calculated on all earnings. For persons entering the system on or after January 1, 1996, the maximum earnings used to calculate contributions are €96,149 a year.

**Government:** The total cost of income-tested allowances and any overall deficit.

#### Qualifying Conditions

**Old-age pension (NDC):** Age 66 (men, and women in the public sector), age 62 (women in the private sector, rising gradually to 66 by 2018), with at least 20 years of paid or credited contributions (at least five years if aged 70).

Employment may continue.

**Old-age pension (social insurance):** Age 66 (men, and women in the public sector), age 62 (women in the private sector, rising gradually to 66 by 2018) with at least 20 years of paid or credited contributions (15 years of contributions if made before December 1992).

Employment may continue.

**Early pension:** Any age with 42 years and one month of contributions (men, rising to 42 years and 3 months by 2014) or 41 years and one month (women, rising to 41 years and 3 months by 2014) if insurance period began before January 1, 1996). Age 63 with 42 years and one month of contributions (men) or 41 years and one month of contributions (women) if the insurance period began on or after January 1, 1996.

**Social allowance (means-tested):** Age 65 and not eligible for the old-age pension; an Italian citizen, a citizen of a European Union member state and residing in Italy, or a non-European Union citizen who resides in Italy with a special residence permit. Annual income, including that of a partner, must not exceed €12,506 if single; €25,012 for a couple.

**Disability pension:** Paid for a total and permanent incapacity for any work with at least five years of contributions, including three in the last five years before the claim. The insured may not receive any other income, including earnings from self-employment and unemployment benefits.

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Disability allowance (means-tested):** Paid for the loss of 66.7% of working capacity with at least five years of

contributions, including three in the last five years before the claim. The allowance is paid for up to three years; may be extended for additional three-year periods. After the allowance has been extended for a third consecutive time, the award becomes permanent.

If the insured meets the qualifying conditions for the old-age pension at retirement age, the disability allowance is replaced by the old-age pension.

Means test: The pension is reduced by 25%, 40%, or 50% if the eligible survivor has annual income exceeding three, four, or five times the annual legal minimum wage, respectively.

The annual legal minimum wage is €6,253.

**Survivor pension (means-tested):** The deceased received an old-age, seniority, or disability pension and had at least 15 years of contributions or five years of contributions, including three in the last five years before death.

Means test: For a survivor pension first awarded after September 1, 1995, the pension is reduced by 25%, 40%, or 50% if the eligible survivor has annual income exceeding three, four, or five times the annual legal minimum wage, respectively. The means test is not applicable to children younger than age 18, students, or persons with a disability.

The annual legal minimum wage is €6,253.

Eligible survivors are the spouse; a separated spouse entitled to alimony; children younger than age 18 (age 21 if a full-time student, age 26 if a university student, no limit if disabled at the time of the insured's death); dependent nephews, nieces, or grandchildren; or, if there are none of the above, dependent parents older than age 65 not entitled to a pension.

The survivor pension ceases on remarriage and a lump sum is paid.

**Death grant:** Paid if the qualifying conditions for the survivor pension are not met. The deceased must have paid at least one year of contributions in the previous five years.

### Old-Age Benefits

**Old-age pension (NDC):** The pension is based on notional contributions, adjusted annually according to the average rate of increase in gross domestic product during the last five years, and an actuarial coefficient that varies according to the insured's age (from 4.419% at age 57 to 5.620% at age 65 and over). The pension must be at least 1.5 times the minimum monthly social allowance (€643.50 in 2012).

The minimum monthly social allowance is €429.

The maximum annual earnings used to calculate benefits are €96,149.

**Old-age pension (social insurance):** The pension varies according to the level of annual earnings (from 2% for annual earnings up to €44,204 to 0.9% for annual earnings greater than €73,378.64 for contributions accrued prior

to December 1992 and for annual earnings greater than €83,987.60 for contributions accrued from January 1993 onwards) and is based on average annual earnings during the last five years multiplied by the number of contributions up to 40 years.

Annual earnings used to calculate benefits are adjusted according to changes in the cost-of-living index for years before 1993 and changes in the retail price index for years after 1992.

#### Old-age pension (mixed social insurance and NDC):

A social insurance pension is provided for the contribution period before January 1, 1996, and an NDC pension is provided thereafter.

The social insurance part of the pension is based on the insured's average annual earnings during the last five to 10 years. Annual earnings used to calculate benefits are adjusted according to changes in the cost-of-living index for years before 1993 and changes in the retail price index for years after 1992.

Insured persons with at least 15 years of contributions, including five years before 1995, can opt for an NDC pension only.

The minimum monthly old-age pension is €481 for a single pensioner with annual income less than €12,506 or for a couple with annual income of less than €25,012. The minimum monthly old-age pension is €617.44 for a single pensioner aged 70 or older with annual income less than €8,026.72 or for a couple aged 70 or older with annual income of less than €13,609.05.

Benefits are payable abroad.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost-of-living index.

**Seniority pension:** The pension is based on a decreasing rate of return (from 2% for annual earnings up to €44,204 to 0.9% for annual earnings greater than €73,378.64 for contributions accrued prior to December 1992 and for annual earnings greater than €83,987.60 for contributions accrued from January 1993 onwards) of reference earnings multiplied by the number of years of contributions up to 40 years.

Reference earnings are average insured annual earnings in the last five years. Annual earnings used to calculate benefits are adjusted according to changes in the cost-of-living index for years before 1993 and changes in the retail price index for years after 1992.

Benefits are payable abroad.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost-of-living index.

**Social allowance:** The monthly benefit is €481 for an unmarried pensioner with annual income less than €12,506 or for a couple with an annual income less than €25,012; may be increased to €617.44 a month if aged 70 or older, unmarried, and with annual income less than €8,026.72 (for one person) or €13,609.05 (for a couple).

Benefits are not payable abroad.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost-of-living index.

### **Permanent Disability Benefits**

**Disability pension (NDC):** The pension is based on notional contributions, adjusted annually according to the average rate of increase in gross domestic product during the last five years, and an actuarial coefficient that varies according to the insured's age (from 4.419% at age 57 to 5.620% at age 65 or older). If the disability began before age 57, the coefficient corresponding to age 57 is used.

An increment based on the number of years between the insured's age on the date the disability began and the normal retirement age is added to the pension.

The minimum monthly pension is €481 for an unmarried pensioner aged 60 or older with income less than €12,506 (€25,012 for a couple).

If the insured is also entitled to a work injury disability pension, only the part of the disability pension that exceeds the work injury disability pension is paid.

Benefits are payable abroad.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost-of-living index.

**Disability pension (social insurance):** The pension varies according to the level of annual earnings (from 2% for annual earnings up to €44,204 to 0.9% for annual earnings greater than €73,378.64 for contributions accrued prior to December 1992 and for annual earnings greater than €83,987.60 for contributions accrued from January 1993 onwards) and is based on average annual earnings during the last five years multiplied by the number of contributions up to 40 years.

An increment based on the number of years between the insured's age on the date the disability began and the normal retirement age is added to the pension.

The minimum monthly pension is €481 for an unmarried pensioner aged 60 or older with income less than €12,506 (€25,012 for a couple).

If the insured is also entitled to a work injury disability pension, only the part of the disability pension that exceeds the work injury disability pension is paid.

Benefits are payable abroad.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost-of-living index.

### **Disability pension (mixed social insurance and NDC):**

The pension for the contribution period before January 1, 1996, is calculated in the same way as the social insurance old-age pension, above. The pension for the contribution period beginning January 1, 1996, is calculated in the same way as the NDC old-age pension, above.

The social insurance part of the pension is based on the insured's average annual earnings during the last five to 10 years. Annual earnings used to calculate benefits are adjusted according to changes in the cost-of-living index for years before 1993 and changes in the retail price index for years after 1992.

Insured persons with at least 15 years of contributions, including five years made before 1995, can opt for a pension calculated in the same way as the NDC old-age pension.

**Disability allowance (means-tested):** Calculated in the same way as the disability pension.

No increment is paid for the anticipated number of years from the insured's age on the date the disability began to the normal retirement age.

The minimum monthly pension is €481 for an unmarried pensioner aged 60 or older with income less than €11,164.66 or for a couple with annual income of less than €16,306.68 (if the person or household's annual income is greater than a certain amount, a reduced benefit or no benefit is paid).

Means test: The disability allowance is reduced by 25% if the insured's annual income exceeds four times the legal minimum pension or by 50% if the insured's annual income exceeds five times the legal minimum pension.

The legal minimum pension is €6,253.

If the insured is also entitled to a work injury disability pension, only the part of the disability allowance that exceeds the work injury disability pension is paid.

Benefits are payable abroad.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost-of-living index.

### **Survivor Benefits**

**Survivor pension (means-tested):** 60% of the pension the deceased received or would have been entitled to receive is paid to a spouse without children, 80% for a spouse with one child, 100% for a spouse with two or more children, 70% for one full orphan, 80% for two full orphans, or 100% for three or more full orphans.

The survivor pension ceases on remarriage and a lump sum of two years of pension is paid.

**Other eligible survivors (if there are none of the above):** Each parent, brother, or sister receives 15% of the pension the deceased received or was entitled to receive.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Death grant:** A lump sum of the monthly social allowance (€481) multiplied by the total amount of paid contributions is paid.

If first insured on or after January 1, 1996, a lump sum of the disability allowance multiplied by the number of years of contributions may be paid under certain conditions.

### Administrative Organization

Ministry of Labor, Health and Social Policy (<http://www.lavoro.gov.it>; <http://www.ministerosalute.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Social Security Institute (<http://www.inps.it>) administers the mandatory national program through its branch offices and administers a number of special programs for certain categories of insured workers.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1912 (maternity), 1927 (tuberculosis), and 1943 (sickness).

**Current laws:** 1943 (sickness), 1971 (working mothers), 1977 (equal treatment), 1978 (health service), 1980 (sickness), 1983 (sickness), 1987 (tuberculosis), 1999 (sickness benefits), 2000 (maternity and paternity), 2001 (maternity and paternity), and 2006 (sickness).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

### Coverage

**Sickness benefits:** Employed persons and contract workers.

**Maternity benefits:** Employed persons, contract workers, and self-employed persons.

**Tuberculosis benefits:** Employed persons and certain categories of self-employed person.

**Medical benefits:** All persons residing in Italy.

### Source of Funds

#### Insured person

**Sickness and maternity benefits:** None; some categories of contract workers make variable contributions.

**Tuberculosis benefits:** None.

#### Self-employed person

**Sickness and maternity benefits:** Variable contributions for sickness and maternity only.

**Tuberculosis benefits:** None.

#### Employer

**Sickness and maternity benefits:** 2.68% of gross earnings for industrial blue-collar workers (2.22% for sickness benefits and 0.46% for maternity benefits); 0.46% of gross earnings for industrial white-collar workers (none for sickness benefits and 0.46% for maternity benefits); 2.68% of gross earnings for employees in commerce and the service sector (2.44% for sickness benefits and 0.24% for maternity benefits). Variable contributions are paid for some categories of contract workers.

**Tuberculosis benefits:** None.

#### Government

**Sickness and maternity benefits:** The total cost of maternity benefits for certain categories of worker, including home-based, agricultural, and household workers.

**Tuberculosis benefits:** The total cost.

### Qualifying Conditions

**Cash sickness and maternity benefits and parental leave:** The insured must be currently covered; self-employed persons and contract workers must also satisfy a means test.

**Tuberculosis benefits:** The insured must be diagnosed with tuberculosis and have at least one year of coverage.

**Medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average daily earnings is paid for the first 20 days of incapacity; thereafter, 66.6%. The benefit is paid after a three-day waiting period for up to 180 days a year; may be extended in special cases.

For contract workers, the daily benefit is paid for up to 180 days of hospitalization, and the benefit varies according to the number of contributions paid in the 12 months before hospitalization. The daily benefit may be paid under certain exceptions for sicknesses not requiring hospitalization, for up to 61 days a year.

**Maternity benefit:** 80% of the insured's average daily earnings in the last month before leave is paid for two months before the expected date of childbirth and for three months after childbirth.

Self-employed persons are entitled to 80% of average insured daily earnings in the last 12 months before the leave period. The benefit is paid for two months before

the expected date of childbirth and for three months after childbirth.

**Parental leave:** Six months of leave must be taken before the child is age 3 and is paid to either parent; a self-employed mother receives three months of leave to be taken before the child is age 1. The benefit is 30% of the insured's earnings. Parents are entitled to up to 10 months of leave (with a possible one month extension) before the child is age 8, plus an income-tested allowance of 30% of earnings if the parents' income is less than 2.5 times the minimum pension.

### Tuberculosis benefits

**Daily benefit:** A daily benefit of €12.24 (€6.13 if the beneficiary is a pensioner or the insured's dependent) is paid while receiving institutional care.

**Postsanatorium benefit:** A daily benefit of €20.40 (€10.21 if the beneficiary is a pensioner or the insured's dependent) is paid for up to two years after leaving institutional care that had lasted for at least six months.

**Care and support allowance:** A monthly allowance of €82.30 is paid for a renewable two-year period if the insured person has an assessed loss of at least 50% of earning capacity.

**Christmas allowance:** An additional 30 days of benefits are paid.

### Workers' Medical Benefits

Services are provided by doctors and pharmacists under contract with, and paid directly by, the National Health Service. Benefits are paid by the Health Service or by hospitals, most of which are public. Benefits include general and specialist care, hospitalization, prescribed medicine, dental care, the attendance of a midwife or doctor at childbirth, specified appliances, and spa treatment. Tuberculosis care includes curative and convalescent care in a sanatorium, postsanatorium care, and rehabilitation.

**Cost sharing:** Patients pay up to 50% of the cost of certain prescribed medicine and up to €36 for each prescribed medical service. Copayments are waived for certain categories of insured persons (including children younger than age 6, persons with disabilities, and persons receiving minimum social benefits) and for persons with certain medical conditions.

There is no limit to duration.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

Ministry of Labor, Health and Social Policy (<http://www.lavoro.gov.it>; <http://ministerosalute.it>) and Ministry of

Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Social Security Institute (<http://www.inps.it>) administers cash sickness, maternity, and tuberculosis benefits.

National Health Service (<http://www.ministerosalute.it>) administers medical benefits through its 20 regional health authorities and their respective local health authorities.

## Work Injury

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### Regulatory Framework

**First law:** 1898.

**Current laws:** 1965 (work injury), 1999 (domestic accidents), 2000 (work injury and occupational diseases), 2000 (work injury and occupational diseases), 2008 (occupational diseases), and 2010 (financial stabilization and economic competitiveness).

**Type of program:** Social insurance system.

### Coverage

Manual workers, nonmanual employees in dangerous work, agricultural self-employed persons, household workers, company managers, contract workers, professional athletes, and maritime workers.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Variable contributions are paid according to the assessed degree of risk.

**Employer:** 0.5% to 16% of payroll, according to the assessed degree of risk. The average contribution for industrial workers is 3%.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

### Temporary Disability Benefits

60% of the insured's average daily wage is paid for the first 90 days; thereafter, 75%. The benefit is paid after a three-day waiting period. The employer pays 100% of earnings for the day of the accident or the date the occupational disease began and at least 60% of earnings for the next three days.

The average daily wage is based on earnings in the last 15 days before the accident or the date the occupational disease began.

For certain categories of workers, benefits are calculated based on a reference income set by ministerial decree.

### **Permanent Disability Benefits**

**Permanent disability pension (for incidents before July 25, 2000):** The pension is awarded for an assessed degree of disability of at least 11%.

The pension is based on average earnings during the year before the date of the accident or the date the occupational disease began and the assessed degree of disability.

The minimum annual earnings used to calculate benefits are €14,681.10.

The maximum annual earnings used to calculate benefits are €27,264.90.

Dependent's supplement: 5% of the pension is paid for a spouse and for each child younger than age 18 (age 21 if in full-time education, age 26 if a university student, no limit if disabled).

In some cases, the pension cannot be combined with disability pension.

The pension is payable abroad.

Benefit adjustment: Benefits are adjusted annually in July by ministerial decree according to changes in consumer prices.

**Permanent disability pension (for incidents on or after July 25, 2000):** For an assessed degree of disability from 6% to 15%, a lump sum is paid; if the assessed degree of disability is at least 16%, a pension is calculated based on two types of compensation.

A compensation for an illness is paid either as a lump sum or a pension. The amount is based on the insured's age, gender, and degree of disability. There is no earnings test.

Compensation for an injury is based on the insured's average earnings during the year preceding the date of the accident or the date the occupational disease began and a coefficient, according to a schedule in law.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions. €483.37 a month is paid for an assessed permanent disability of 100%.

Benefit adjustment: Benefits are adjusted annually in July by ministerial decree according to changes in consumer prices.

**Permanent disability pension (domestic accidents after March 1, 2001):** Aged 18 to 65 and injured while completing household tasks that result in an assessed degree of incapacity of 33% or more (27%, if the accident was after January 1, 2007). The pension is calculated based on the reference minimum salary in the industrial sector.

**Unemployability pension:** A monthly payment of €239.16 supplements the permanent disability pension if the insured is younger than age 65, has an assessed degree of disability

of at least 34%, has lost all capacity for work, or is a risk to co-workers or workplace safety.

Benefit adjustment: Benefits are adjusted annually in July by ministerial decree according to changes in consumer prices.

### **Transitional compensation for silicosis and asbestosis:**

Benefits are paid for an assessed degree of disability up to 60%, for one year to compensate insured workers who are forced to leave a harmful work position to avoid aggravation of a diagnosed disease. If the insured has become unemployed, the amount paid is 66.7% of the average daily wage received in the 30 days before the insured left the harmful work position. If the insured has changed employment, the amount is 66.7% of the difference between the average daily wage received in the 30 days before the insured left the harmful work position and the remuneration received in the new employment.

Benefit adjustment: Benefits are adjusted annually in July by ministerial decree according to changes in consumer prices.

### **Workers' Medical Benefits**

Benefits include medical, surgical, and hospital care; appliances; and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** The spouse receives 50% of the deceased's average earnings.

Average earnings are based on earnings during the year preceding the date of the accident or the onset of the occupational disease that resulted in the insured's death.

**Orphan's pension:** Each orphan younger than age 18 (age 21 if a full-time student, age 26 if a university student, no limit if disabled) receives 20% of the deceased's average earnings; 40% for a full orphan.

Average earnings are based on earnings during the year preceding the date of the accident or the onset of the occupational disease that resulted in the insured's death.

### **Other eligible survivors (if there are none of the above):**

Each dependent parent, brother, or sister receives 20% of the deceased's average earnings.

Average earnings are based on earnings during the year preceding the date of the accident or the onset of the occupational disease that resulted in the insured's death.

All survivor benefits combined must not exceed 100% of the deceased's average earnings.

Benefit adjustment: Benefits are adjusted annually in July by ministerial decree according to changes in consumer prices.

**Funeral grant:** A lump sum of €1,936.80 is paid to the person who paid for the funeral.

## Administrative Organization

Ministry of Labor, Health and Social Policy (<http://www.lavoro.gov.it>; <http://www.ministerosalute.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Accident Insurance Institute (<http://www.inail.it>) administers the program through provincial offices.

National Health Service (<http://www.ministerosalute.it>) administers medical benefits through its 20 regional health authorities and their respective local health authorities.

## Unemployment

### Regulatory Framework

**First laws:** 1919 and 1945.

**Current laws:** 1935, 1939, 1975, 1977, 1988, 1991, 1994, 1996, 1997, 1998, 2000, 2005, and 2009.

**Type of program:** Social insurance system.

### Coverage

Private-sector employees. Construction workers are also covered for a special supplementary benefit.

Exclusions: Self-employed persons and apprentices.

### Source of Funds

**Insured person:** None; insured persons in companies with more than 50 employees contribute 0.3% of gross earnings for the special wage supplement.

**Self-employed person:** Not applicable.

**Employer:** 1.61% of gross earnings (2.41% for building industry employers). For the special wage supplement, industrial-sector employers with less than 15 employees contribute an additional 1.9% of gross earnings; 3.1% with 15 to 49 employees; 3.4% with 50 or more. Commercial-sector employers with more than 50 employees contribute an additional 0.3%.

There are no maximum earnings for contribution calculation purposes.

**Government:** Administrative costs plus subsidies for agricultural workers.

### Qualifying Conditions

#### Full unemployment benefits

**Unemployment benefit:** The insured must have at least two years of coverage with at least 52 weeks of contributions in the last two years; construction workers, at least 43 weeks or 10 months of contributions during two years of employment in the sector. Farm workers, at least 102 days of contributions during two years of employment in the sector. Insured persons with at least two years of coverage

and 78 days of paid or credited contributions during the last year before unemployment are eligible for a reduced benefit. Unemployment must be involuntary.

**Mobility allowance:** Paid to industrial workers (excluding construction workers) with at least one year of coverage and six months of employment. Workers must be registered at an employment office and be capable of, and available for, work. Unemployment must be involuntary.

#### Partial unemployment benefits

**Ordinary wage supplement:** Paid for a temporary reduction in the work week as a result of a reduction in the firm's activity, with the agreement of the National Social Security Institute. The employer makes the claim for the employee.

**Special wage supplement:** Awarded by ministerial decree to insured persons working in industrial firms employing more than 15 employees (50 employees for firms in the commercial sector) if there is a reduction in the work week due to restructuring or a change in activity. The claim is made by the employer for the employee.

### Unemployment Benefits

#### Full unemployment benefits

**Unemployment benefit:** Daily benefits are 60% of the insured's gross average daily wage for the first six months and 50% for the seventh and eighth month. Benefits are paid for up to eight months. Beneficiaries aged 50 or older receive 60% of the gross average daily wage during the first six months, 50% for the seventh and eighth month, and 40% up to the 12th month.

The gross average daily wage is based on the insured's earnings in the previous three months.

The maximum monthly benefit is €906.80; €1,089.89 if the insured's gross earnings before unemployment were more than €1,961.80 a month.

Construction workers receive 100% of earnings during the first 12 months of unemployment; thereafter, 80% for up to 18 months to 27 months, depending on the employer's location.

Insured persons eligible for reduced benefits receive 35% of the gross average daily wage (may rise to 40% for subsequent periods of unemployment). The duration of benefits depends on the number of days that the insured had worked during the last year before unemployment, up to 180 days.

The maximum reduced benefit is €892.96 a month; €1,073.25 if the insured's gross earnings before unemployment were greater than €1,961.80 a month.

**Mobility allowance:** 100% of the insured's last earnings is paid for up to 12 months; thereafter, 80%. The maximum duration of the allowance varies from 12 months to 36 months (24 months to 48 months in southern regions) and depends on the age of the worker and the location of the place of employment.

The maximum monthly benefit is €906.80; €1,089.89 if the insured's gross earnings before unemployment were greater than €1,961.80 a month.

### Partial unemployment benefits

*Ordinary wage supplement:* 80% of lost earnings caused by a reduction in the work week of 24 to 40 hours is paid for up to 12 months.

The maximum monthly benefit is €906.80; €1,089.89 if the insured's gross earnings before unemployment were greater than €1,961.80 a month.

*Special wage supplement:* 80% of lost earnings caused by a reduction in the work week of up to 40 hours is paid for up to 24 months.

The maximum monthly benefit is €906.80; €1,089.89 if the insured's gross earnings before unemployment were greater than €1,961.80 a month.

### Administrative Organization

Ministry of Labor, Health and Social Policy (<http://www.lavoro.gov.it>; <http://www.ministerosalute.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Social Security Institute (<http://www.inps.it>) administers the program through its branch offices.

## Family Allowances

### Regulatory Framework

**First law:** 1937.

**Current laws:** 1955, 1961, 1988 (family allowances), 1999, 2006, 2007, and 2008.

**Type of program:** Employment-related system.

### Coverage

Children and dependents of employees or social insurance and welfare beneficiaries.

Special systems for self-employed persons and for pensioners of the special systems.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.68% of gross payroll.

The minimum weekly earnings used to calculate benefits are €192.40 or, if greater, the minimum wage.

**Government:** Subsidies, including 1.8% of the employer contribution.

### Qualifying Conditions

**Family allowances (means-tested):** The insured must be a salaried worker; a part-time worker; a cooperative member; a pensioner of the general scheme; a recipient of unemployment, maternity, or sickness benefits; or in military service.

Eligible persons are the insured; a nondivorced or separated spouse; children younger than age 18 (age 21 if a full-time student, age 26 if a university student, no limit if disabled); and dependent orphaned brothers, sisters, nieces, and nephews (if not eligible for a survivor pension).

Means test: Total family taxable income (except for pensions and social benefits) must not exceed an amount adjusted annually according to changes in the retail price index. The worker's income and other related income must not be less than 70% of the total family income.

**Family support allowance (means-tested):** Paid to families with at least three dependent children.

Means test: For a five-member family of which three are dependent children, annual family income must not exceed €23,736.50.

### Family Allowance Benefits

**Family allowances (means-tested):** Up to €2,294.38 a month is paid, according to the number of family members and certain other criteria (including the number of parents, dependents, and family members with a disability).

**Family support allowance (means-tested):** €131.87 a month is paid.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to a government index.

### Administrative Organization

Ministry of Labor, Health and Social Policy (<http://www.lavoro.gov.it>; <http://www.ministerosalute.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Social Security Institute (<http://www.inps.it>) administers the program through the Central Family Allowances Fund.

Employers pay allowances directly to employees (except in agriculture), including household workers.