SSE MOVE: Social SEcurity on the MOVE

Promoting coordination on the transferability of welfare benefits within a cluster of EU social security institutes

Project co-funded by the European Union, DG Employment, social affairs and inclusion

Country Report: Italy[1]

1. Characteristics of the national social security system

The Italian welfare system provides for the coverage of the following social security branches: old age, early retirement, invalidity, survivors', sickness, unemployment, family, maternity and paternity benefits, as well as for benefits in respect of work injuries and occupational diseases and means tested benefits for individuals and households in need.

Except for the health care system, the Italian system of social protection is not organised according to an universal criterion, because for being entitled to the benefits some requirements have to be fulfilled (e.g. in terms of age, contribution paid and, in some cases, a means test is added).

All workers performing their activity on the Italian territory are compulsorily covered by social security insurance and both employees and self-employed are to be registered with the General Compulsory Insurance Scheme on a mandatory basis. An exception regards professionals (e.g. lawyers, medical doctors, engineers, architects) who are obliged to enrol in a specific fund managed by their professional order.

The Italian social security system is financed both through social security contributions paid by employers and employees and through general tax revenue. In particular, the National Health Service (*Servizio Sanitario Nazionale*) is financed by all people residing on the Italian territory through general taxation and is managed at a regional level.

As regards employees, compulsory contributions (e.g. for pension, unemployment or sickness benefits) are computed as a percentage of earnings and the rates are fixed by legislative provision. The rate applicable in each case depends on the sector, the contractual arrangement, the worker's professional qualification, the number of employees, the location of the business. The employer is responsible for paying both his own and the employee's contributions to the competent social security institution. Contributions are usually paid on a monthly basis.

As regards self-employed (apart from professionals enrolled to their specific private fund, which can establish their rules, according to a framework set by the national law), contributions are calculated by applying the income tax return for the relevant year on the declared total labour income. Specific rebates of contribution rates regard self-employed worker's family members actively participating to the activity, farmers, sharecroppers and smallholders.

[1] Compiled by INPS and Fondazione Giacomo Brodolini

As regards the public pension system, it has to be highlighted that currently, according to their seniority at the moment of the 1992, 1995 and 2011 reforms, workers are enrolled in three different kinds of schemes – earnings-related (*retributivo*), mixed (*pro rata*) and contribution based (*contributivo*) – deeply differing in terms of the benefit computation formula applied. All three public pension schemes are pay as you go financed.

The 1995 pension reform introduced a new system for calculating the old-age pension: this contribution-related system (so called *contributivo* or notional defined contribution - NDC) wholly applies only to workers insured for the first time after 1 January 1996.

Under this system contributions are paid into each worker's insurance account, calculated on the basis of a defined rate: this is equal to 33% of the gross earnings for employees; 20% for self-employed (but they are going to gradually increase up to 24% in 2018); 27,72% for parasubordinate workers enrolled to the *Gestione separata* (gradually increasing up to 33,72% in 2018). Contributions are accumulated in notional individual accounts and the annual rate of return on the accumulated contributions is set equal to the average nominal GDP growth rate in the previous five years. At the moment of retirement, the accumulated amount is multiplied by a transformation coefficient linked to the age of the worker when the pension is claimed in order to compute the amount of the annuity.

The transformation coefficients depend on the average unisex life expectancy at the retirement age (taking into account the probability to leave a survivor pension) and they are updated every two years in line with the official demographic projections provided by ISTAT, the Italian national statistics institute. Pensions paid under this system cannot be topped up by the minimum pension. A means tested social allowance (*assegno sociale*) can be claimed by eligible elderly individuals when they reach a specified age (currently 66 years old), independently on their previous contribution record.

The earnings-related system (so called *retributivo*) applies to insured workers who had accrued at least 18 years of insurance contributions as of 31 December 1995. For each year of paid contributions, 2% of the average pay is taken into account for pension calculation. Lower rates are applied to earnings above a certain ceiling. The maximum pension is based on forty years of contributions. Anyhow, following the 2011 reform, workers enrolled to *retributivo* will receive a benefit computed according to the NDC rules for the years of seniority following 2012.

A mixed system (called *pro rata*) runs in parallel. For insured persons who had not accumulated 18 years of insurance contributions as of 31 December 1995, the pension is calculated according to the earnings-related system for the portion until such date and according to the NDC system for the portion corresponding to the insurance contributions matured since 1 January 1996.

People enrolled to retributivo and pro rata are entitled to receive a minimum pension if their pension benefit does not exceed a fixed threshold. The entitlement to the minimum pension is subjected to a means test.

Pension benefits are indexed according to the inflation rate. Pension benefits can be fully combined with employment and self-employment income. Pensions are subject to taxation according to the general taxation rules of personal income. No special reliefs for pensions are provided.

Starting in 1992, an almost "never-ending" series of reforms (1992, 1993, 1995, 1997, 2004, 2005, 2007,2009, 2010, 2011) has radically transformed the Italian pension system, modifying several basic parameters of the public system – such as the computation formula, the indexation rule, the requirements for being eligible to old-age and early retirement benefits – and attempting at promoting the development of private occupational and personal plans.

As a consequence of the reform processes, the public scheme that is still pay as you go financed, changed from an earnings-related defined benefit formula (the so-called *retributivo*) to a notional defined

contribution one (NDC, the so-called *contributivo*); retirement ages significantly rose and further increases are expected in the future due to the automatic link with the life expectancy; the institutional architecture started to change from a single-pillar towards to a multi-pillar configuration, even if the public pillar is currently still largely predominant.

Several major changes have been introduced by the new comprehensive pension reform, introduced by the Monti Government at the end of 2011, with the main aim to obtain immediate savings on pension spending through a significant increase of the retirement age.

In particular, on the one hand, the reform has established that the old-age retirement age for women in the private sector shall increase from 60 to 62 years in 2012, with a gradual increase to up to 66 years in2018, whereas men's retirement age shall rise to 66 years in 2012. On the other hand, much stricter limits to early retirement have been introduced. Since 2012 early retirement is possible (with reduced benefits if the individuals retires before 62 years old) only having accumulated 41 years of social contributions (for women) or 42 years (for men).

In line with previous measures, the reform has confirmed that retirement ages and the seniority record for the early retirement will be increased following the increase in life expectancy. Hence, around 2040 (when the first cohorts entirely belonging to the NDC will retire) the effective retirement age will reach 69 and the seniority record for early retirement will be set at 44 years for women and45 for men.

As regards private pensions, it has to be stressed that since 1993 Italian policy makers favoured the development of funded supplementary pillars in order to compensate retrenchment interventions in the public pension system. Supplementary pillars were introduced on a voluntary basis, they are fully funded and provide defined contributions (DC) pensions only.

The supplementary pillars are organized through three different types of pension institutions: closed (collective occupational) pension funds (CPF), open pension funds (OPF), and personal pension plans (*piani individuali pensionistici,* PIP). Closed funds are set up as not for profit institutions within the framework of collective bargaining between employer and trade unions. Open funds are promoted and managed by banks, insurance and investment companies. They can offer both personal and occupational (i.e. based on a collective enrolment) plans. Since 2000, personal pension plans can be offered also through life insurance contracts (PIP).

Aiming at fostering the development of supplementary pillars trough the voluntary devolution of the indemnities (Trattamento di Fine Rapporto, TFR), the 2005 reform (phased in 2007), introduced the "silent consent" formula for the transfer of the latter to supplementary funds: i.e. if a worker does not explicitly disagree in a six months period, his/her TFR flows (not the stock already accumulated by firms) are transferred from firms to pension funds. However, only the choice to devolve it to a fund is irreversible, given that, even after the six months period, workers can always decide to devolve TFR flows to private pension schemes. Furthermore, the reform stated that the TFR can be transferred to any kind of fund (closed, open and PIP), but additional employers' and employees' contributions set in collective agreements can be paid only to collective funds, thus representing a strong advantage for closed funds.

Consequently the new pension architecture presents a public NDC pillar and a complex system of private pension schemes, though the latter are still underdeveloped in terms of actual coverage and take up rates.

According to the most recent data the take-up rate in private supplementary schemes is still limited: about 2,850,000 individuals were members of closed and open pension funds and the enrolment growth rate in both types of funds has been almost null since 2008. Personal plans based on life insurance contracts (PIPs) seems more appealing, given that currently 1.9 millions of individuals have subscribed a plan, with a growth rate around 10% each year. The total number of individuals enrolled in supplementary schemes, including pre-existent funds, thus amounts to 5.4 million out of slightly less than 23 million employed.

In Italy survivor pensions are paid to certain members of the family of the deceased. There are two typologies of survivors pensions according to the professional status of the decedent at the moment of his/her death: a survivors' pension (*pensione di reversibilità*) is granted if the deceased was receiving a direct pension, and an indirect pension (*pensione indiretta*) if at the time of his/her death the deceased worker was not yet receiving a direct pension but was fully entitled, with regard to insurance and contributions requirements, to receive an ordinary invalidity allowance or disability pension, or to receive the old-age pension. Survivor pensions benefits cover all employees in the private sector, whereas special schemes concern farmers, tenants, self-employed craftsmen and merchants/retailers. No exemptions from compulsory insurance are allowed.

All employed persons and certain categories of self-employed workers (farmers, sharecroppers and smallholders, tradesmen and merchants) are covered for disability insurance and are also entitled to disability pension. As regards self-employed, the rules vary considerably, depending on their professional order. Two typologies of disability benefits are provided: i) invalidity allowance (*assegno ordinario d'invalidità*); ii) disability pension (or incapacity pension, *pensione di inabilità*). For being entitled to these two kinds of benefits five contribution years with at least three during the last five years are needed. In case of occupational invalidity (i.e. when it has been caused by circumstances of employment other than industrial injury), no contribution records are required.

An insured person whose working ability, in occupations suited to his capacity, is permanently reduced to at least two thirds as a result of sickness or infirmity (physical or mental) is considered as invalid for the purpose of invalidity allowance. The disability pension is instead payable to the insured person or beneficiary of the invalidity allowance who is absolutely and permanently incapable of any occupational activity, as a result of sickness or infirmity (physical or mental).

Disability benefits are financed through compulsory social insurance schemes financed by contributions covering employees, with earnings-related pensions depending on contributions and the duration of affiliation. Special schemes for the self-employed are granted. No exemptions from compulsory insurance are allowed.

In case of an accident at work or an occupational disease the *assegno ordinario d'invalidità* can be granted by INPS. However such allowance cannot be paid at the same time as the life annuity in respect of the same accident up to the amount of the annuity itself provided by the National Institute for Insurance against Accidents at Work (INAIL) that is responsible for providing benefits in respect of accidents at work and occupational diseases.

All employed persons engaged in certain types of occupation or business that according to Italian law can give rise to work injury or occupational disease are insured against these risks and are entitled to benefits in respect of accidents at work. These schemes are then organized through a compulsory social insurance scheme for employees and certain categories of self-employed financed by contributions of employers and self-employed providing benefits in kind and cash benefits. Certain categories of self-employed, such as lawyers and other liberal professions; firemen; military and police forces can be exempted from the compulsory insurance.

Further, in Italy sickness benefits are provided through earnings-related benefits, according to a compulsory social insurance scheme for all employees. There are no specific cash benefits, but these benefits are paid as a form of continuation of the compensation by the employer. There is neither a minimum work period nor a qualifying period required for being entitled to sickness benefits.

The maternity/paternity benefit is provided through a compulsory social insurance scheme for employees with earnings-related benefits. Employed women – or, in some cases, fathers – are obliged/entitled by law to a paid maternity (paternity) five-month leave before and after delivery. Concerning parental leave, both

parents (who are in paid employment) are entitled to a total period of up to eleven months of paid leave until a child is 8 years old, at the same time if they wish.

Unemployment benefits schemes are financed by contributions from employers, providing earnings-related benefits. No special unemployment assistance scheme exists, nor means tested unemployment benefits. There is no possibility of voluntary insurance. Self-employed and parasubordinate workers are not covered by the unemployment benefit system (apart from a means tested benefit provided to some, very small, categories of parasubordinate workers).

The reform approved by the Parliament in Summer 2012 strongly modified the unemployment benefit schemes. It abrogated the mobility allowance and changed the duration and the generosity of unemployment benefits. The ordinary unemployment benefit has been replaced by a new benefit, called ASPI (*assicurazione sociale per l'impiego*), provided to individuals insured with the National Institute for Social Security for at least two years and having accumulated at least 52 weeks of contributions in the two years preceding the cessation of the employment. The ASPI will be paid up to 12 months (18 months for people aged over 55) and the replacement rates will be around 75% (60% from the seventh month). Compared to the current level, the maximum gross monthly amount of ASPI will also increase. Moreover, the reduced requirement unemployment benefit has been abrogated too and it will be replaced by the so-called "mini ASPI", provided to all employees having worked at least 13 weeks before the firing. The mini ASPI amount will be the same of the ASPI, but it will be paid on a monthly base at maximum for 6 months (i.e. for half of the weeks worked in the year prior the firing).

Moreover, there exist two schemes of redundancy payments (ordinary and extraordinary). The ordinary compensation paid by the income supplement fund (*Cassa Integrazione Guadagni*) is intended for employees and managers of industrial enterprises in general and of industrial and craft enterprises in the construction and stone-quarrying sector when they are affected by a reduction or stoppage of activity for temporary difficulties that are a result of temporary market conditions. The extraordinary redundancy pay – authorized by decree of the Ministry of Labour – is intended to preserve the income of employees of industrial enterprises which have ceased operations for restructuring, reorganization or conversion. This also applies also to commercial enterprises, shipping and transport companies, and travel and tourism agencies with more than fifty employees. The condition for eligibility is that these businesses have had an average of 15 employees over the six months preceding the application for benefit. This allowance cannot be paid for more than 18 months for bankruptcy proceedings, 12 months for business crises and 24 months for restructuring, unless extended as provided by law. The amount of the ordinary and extraordinary redundancy pay is 80% of the total pay the worker would have been entitled to for the hours of work not worked.

As regards protection against poverty risks it has to be pointed out that employees, pensioners and those receiving social security benefits deriving from paid employment are entitled to receive family allowances. The amount of these allowances depends on the size of the family and the income of the household.

No minimum resources means tested benefits are instead provided in Italy at the national level to every individual or household in case of need of socio-economic support. Municipalities, acting in accordance with regional legislation and depending on the available budgetary resources, can devise their own policies of social intervention on their territory. However, as the granting of these benefits falls under the competence of the local authorities, the national law does not provide for general entitlement conditions or requirements. The support may be provided either in cash or in kind (such as interventions by social workers). There are no nationality conditions enforced at a national level; in general, residence in the region or municipality which is granting the benefit is required.

2. Enforcement of the EC Regulation 883/2004 and 987/2009

As known, the new European regulations include a revised version of the general principles, especially as regards the principle of assimilation. In Italy, in order to improve free mobility of workers inside the EU, some actions have already been taken by the administrations in order to identify the actual cases where the application of the principle of assimilation could affect the procedures of granting of benefits under EC Regulations.

Concerning this point the most relevant measures introduced are the following:

- Periods spent in another Member State doing the military service can be accrued as figurative contributions
- Survivor pensions can be provided to sons also when they are studying in another Member State.
- Incomes earned in another Member State are included for computing the income thresholds for being eligible to non contributory means tested benefit provided by the Italian welfare system.
- In some cases, to become eligible to pension benefits the expiry of the working activity in another Member State is considered equivalent to stopping the activity in Italy.

However, other situations need a change of the current law in order to fully satisfy the provisions of Article 5 of Regulation EC no. 883/2004. These situations have been identified and the Ministry of Labour and Social Affairs is analyzing how to introduce these changes.

As known, one of the main objectives of EC Regulation no. 883/2004 and no.987/2009 has been to simplify and modernize provisions concerning the portability of social security rights. These new regulations seems to have achieved this purpose fairly well.

In particular, a major simplification concerns the fact that the new regulations are applied to all EU citizens, independently on their working status. Hence complex definitions for distinguishing employees, self-employed and the different categories of insured people are no longer needed. A further major simplification regards the exportability of unemployment benefits. Moreover, when it will be phased in, the EESSI project will allow to greatly simplify the administrative management of the practices concerning mobile workers. At the moment, in order to deal effectively with the legal and procedural changes that are taking place, Italian administrations have established actions and strategies in order to set up and implement an electronic data exchange system and they have developed a nation-wide synergy and coordination strategy between all social security institutions and the national Access Points. National Access Points identified for Italy are: Ministry of Health for health care; National Institute for Insurance against Accidents at Work (INAIL) for work injuries and occupational diseases; INPS for pension benefits and for unemployment benefits and welfare cash transfers.

Italy, is one of the six EU countries that are testing the new electronic procedures provided in the EESSI project, hence Italian administration are, obviously, fully aware of the results of the tests performed by the six EESSI testing Countries.

However, at the moment, it is not foreseeable for Italy to join EESSI, both as a whole or sector by sector, because DG Employment commitments, concerning software provisions, technical specificities, structured electronic documents (SED) and business flows have not been satisfied. Furthermore no answers have been given to the observations and suggestions proposed by the six testing countries. Concerning the current transitional phase it has to be pointed out that the coexistence of Eforms and Paper Seds creates some difficulties for staff working on these topics.

At the moment, waiting for the implementation of the electronic SED form, the Italian administrations are still using the old E-series forms instead than starting to use the new forms. The only field of action where the new modules are used is the one concerning income support cash benefits (i.e. unemployment, maternity and sickness benefits and family allowances). However, due to some difficulties in filling in Paper Seds there is the possibility to continue using the old E-series forms, which are the ones adopted for pensions.

1. Limitations to the free mobility of workers

Procedural limits to the portability of social security benefits vs. economic constraints

In Italy there are procedural limits to the portability of social security benefits due to partial enforcement of Regulation 883/2004. Furthermore, concerning "economic constraints" it has to be pointed out that the Italian public pension scheme is now based on a notional defined contribution (NDC) formula. The public pension system is then based on actuarial neutrality and, at the individual level, pension rights are the mere outcome of paid contributions. Hence, being the pension system the "mirror" of individual experiences in the labour market and being the computation formula wholly based on a defined contribution method, there are no particular incentives nor disincentives for migrant workers to move to Italy, independently of the phases of their individual career (e.g. at the beginning, at the end or when a steep wage increase happens), in order to "exploit" the generosity of the pension scheme.

In general, as known, in Italy the common rules ensuring access to social benefits are applied. These rules are based on four principles:

- When moving within Europe, the individual is always insured under the legislation of one single Member State: generally, if he/she is active, it will be the country where he/she works; if he/she is inactive, the country where he/she resides.
- The principle of equal treatment ensures that the individual has the same rights and obligations as nationals of the country where he/she is insured.
- When necessary, periods of insurance acquired in other EU countries can be taken into account towards the award of a benefit.
- Cash benefits can be "exported" if he/she lives in a country other than the one where he/she is insured.

The individual can rely on the EU provisions on social security coordination in the 27 EU Member States plus Norway, Iceland, Liechtenstein (EEA) and Switzerland (i.e. in 31 countries).

Some slightly different rules concern the various kinds of social security benefits. Sickness cash benefits (i.e. benefits normally intended to replace an income which is suspended due to sickness) are always paid according to the legislation of the country where the individual is insured, regardless of where he/she is residing or staying. When moving to another country of the European Union[2], whenever certain conditions have to be fulfilled in order to become entitled to sickness benefits, the competent institution (i.e. institution in the country in which he/she is insured) must keep into account periods of insurance, residence or employment that he/she has completed under the legislation of any of the above-mentioned

[2]In this section the four additional countries where the EU provisions on social security coordination are applied (i.e. Norway, Iceland, Liechtenstein and Switzerland) are included in the definition of "EU countries".

countries. This thus guarantees that people will not lose their sickness insurance coverage when changing employment and moving to another state.

The coordination provisions cover maternity and equivalent paternity benefits. Whenever certain conditions have to be fulfilled in order to become entitled to benefits, the competent institution (i.e. institution in the country in which you are insured) must take account of periods of insurance, residence or employment completed under the legislation of another country of the European Union. As a general rule, cash benefits are always paid according to the legislation of the country where the individual is insured, regardless of where he/she is residing or staying. Benefits in kind (i.e. medical care, medicines and hospitalisation) are provided according to the legislation of the country of residence as if he/she was insured there.

Concerning invalidity benefits, the competent institution of the country where the individual claims an invalidity pension will take account of periods of insurance or residence completed under the legislation of any other EU country, if this is necessary for entitlement to invalidity benefits. Invalidity benefits will be paid regardless of where the individual resides or stays in the European Union. Necessary administrative checks and medical examinations will normally be carried out by the competent institution in the country where the individual resides. Each country applies its national criteria when determining degree of invalidity. Therefore, it may be the case that certain countries will consider a person to have a degree of invalidity of 70%, while others will not consider the same person to be invalid at all under their legislation. This is a result of the fact that the national social security systems are not harmonized, but only coordinated by EU provisions.

As known, EU provisions for old-age pensions exclusively concern state pension schemes and not company, occupational or private ones. They guarantee that:

- In each EU country where the individual has been insured, the insurance record is preserved until he/she reaches the pensionable age in that country.
- Every EU country where he/she has been insured will have to pay an old-age pension when he/she reaches the pensionable age. The amount he/she will receive from each of the Member States will depend on the length of the insurance coverage in each state.
- The pension will be paid wherever the individual resides in the EU.
- The individual should submit his/her claim to the pension insurance institution of the EU country in which he/she lives, unless he/she has never worked there. If this is the case, he/she should apply to the country where he/she last worked.

In general, the rules which apply to pensions for surviving spouses or orphans and death grants are the same as the ones applying to invalidity and old-age pensions. Namely, survivors' pensions and death grants have to be paid without any reduction, modification or suspension regardless of where the surviving spouse resides in the European Union.

The EU provisions on benefits in respect of accidents at work or occupational diseases are very similar to the provisions on sickness benefits. Within the European Union, if the individual resides or stays in a country other than in the one in which he/she is insured against accidents at work and occupational diseases, he/she is normally entitled to receive healthcare there in respect of an accident at work or an occupational disease; benefits in cash will normally be paid by the institution by which you he/she is insured, even if individual resides or stays in another country. Whenever certain conditions have to be fulfilled in order to become entitled to benefits in respect of accidents at work or occupational diseases, the institution where the individual insured must take account of periods of insurance, residence or employment that he/she has completed under the legislation of other countries of the European Union. This guarantees that people will not lose their insurance coverage when changing employment and moving to another country.

As known, characteristics and amounts of family benefits vary considerably from one State to another. It is therefore important for the individual to know which State is responsible for providing these benefits and what the conditions to entitlement are. The country which is responsible for paying family benefits must take into account periods of insurance completed under the legislation of any other country of the European Union, if this is necessary to satisfy the conditions governing entitlement to the benefit; if a family is entitled to benefits under the legislation of more than one country it will, in principle, receive the highest amount of benefits provided for under the legislation of one of these countries. In other words, the family is treated as if all persons concerned resided and were insured in the state with the most favourable legislation.

Concerning unemployment benefits, normally, the Member State in which the individual is employed is the one responsible for granting the benefits. Special provisions apply to frontier workers and other cross-border workers who have maintained their residence in a Member State other than the one in which they work. Periods of insurance or employment completed in other countries of the European Union can be used to fulfil the contribution conditions. If the individual wants to look for a job in a different country of the European Union, he/she can under certain conditions export these benefits for a limited period of time.

Long-term care benefits also fall under EU social security coordination rules, in the same way as sickness benefits. Long-term care benefits in cash are paid according to the legislation of the state where the individual is insured, regardless of which state he/she is residing or staying in. Long-term care benefits in kind are provided according to the legislation of the state in which the individual resides or stays as if he/she was insured in that state. On the contrary, EU coordination rules apply only to social security, not to social assistance benefits. Hence, some special non-contributory cash benefits are provided exclusively in the country in which the beneficiary resides and are therefore not “exportable”. These benefits are the following:

- Social pensions for persons without means;
- Pensions and allowances for the civilian disabled or invalids;
- Pensions and allowances for the deaf and dumb and for the civilian blind;
- Benefits supplementing the minimum pensions;
- Benefits supplementing disability allowances;
- Social allowance and social increase.

Interrelation of public with private social security schemes.

In Italy pension benefits are wholly portable among the different public pension schemes. Some limits still exist mostly for professionals (e.g. lawyers, architects), who are obliged to enrol to the private pension schemes managed by their professional fund; some problems still exist also for elderly workers, who are enrolled to the old defined benefit scheme due to the fact that before the 1992-1995 reform the public pension scheme was split into several funds for different workers’ categories (e.g. managers, postmen, people working to telephone and electric companies).

In these cases, when they move among different funds during their career, workers can put together their contributions (the so called *totalizzazione*) without charges when they have paid contributions for at least 20 years and they have been enrolled for at least 3 years in each different pension fund. When these entitlement conditions are not fulfilled, the workers can decide to rejoin (the so called *ricongiunzione*) their contributions in a single fund. However the *ricongiunzione* is often very costly.

As known, EU rules do not yet guarantee the portability of private supplementary pension rights. Anyway, the internal (i.e. inside each country) portability of supplementary pension benefits is not characterized in Italy by huge drawbacks for different reasons. This happens both because the extent of supplementary pensions is still limited in Italy and, mostly, because supplementary pension benefits are computed by

means of defined contribution formulas. Therefore, compared to defined benefit schemes where benefit depends on seniority and it is often very difficult to compute acquired rights when the individual moves from a fund to another one, it is very easy to compute the sum accumulated in the private fund when the individual has to move to another fund.

Some limitations to the free choice of the fund where paying supplementary contributions exist as regards occupational funds (the so-called closed funds). These funds are managed according to defined contribution formulas, but individuals can enrol to them only when they are employed in specific firms or category of workers. Some limits to the free mobility of workers can then derive from waiting periods (i.e. minimum contributions requirements necessary before claiming for benefits) and vesting periods (i.e. periods of time necessary before a contributor is capable of exercising full rights on his/her assets).

The waiting period for being entitled to receive a supplementary pension amounts to five years of contributions to the fund in Italy. Anyway, in case of unemployment lasting from 12 to 48 months the individual can receive in advance up to 50% of the sum accumulated by the private supplementary fund.

When the unemployment lasts from at least 48 months or the individual suffers from a disability limiting his/her working capacity to less than 1/3 the whole sum accumulated by the fund can be received in advance. The sum accumulated by the occupational fund can be redeemed also when the individual looses the requirements to be enrolled to that fund, i.e. when he/she is no more employed by the firm or the category that manages the closed fund. Anyway, being the closed fund managed according to the defined contribution method, the individual can freely choose to keep her/his contribution in such fund (receiving the accumulated sum once retired).

Vesting periods have been reduced by recent reforms: apart from the cases when the individual looses the enrolment requirements (when, as said before, accumulated sums can be wholly redeemed immediately), he/she can freely decide to move their contributions to another occupational or personal fund after at least 2 years of enrolment.

Quality of available information

The new system of coordination of national schemes highlights the need to provide citizens with accurate and precise information. In this perspective, the Italian National Social Security Institute, added to its website a specific section targeted to migrant workers, including information about benefits entitlements and requirements and showing, in a dedicated subsection, the new EU Regulations and detailed information about the different kinds of benefits which migrant EU workers can be entitled to.

The website section addressed to migrant workers includes also some practical booklets and thematic guidelines that can be downloaded or looked up online. The thematic INPS's website section directed to migrant workers is available at **www.inps.it** following Home > Informazioni> Lavoratori migranti.

Furthermore, through the SSE-move project a dedicated project website –hosted within INPS portal - available in different languages (IT, EN, RO, HU, CZ, PL) has been created. In this website entitlement conditions for mobile workers regarding each kind of social security and welfare benefits are explained, also by means of examples. The web page also hosts a section on the individual biographies of mobile workers along with all other deliverables and reports produced during the project activities. The dedicated project web site also host links to other documents and sites relevant for the implementation of strategies for cooperation and information on social security coordination in partners' countries or across Europe.