

Italy

Exchange rate: US\$1.00 equals 0.84 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1919.

Current laws: 1952 (pension reorganization), 1981, 1982, 1983, 1984, 1985, 1989, 1992, 1995 (pension reform), 1997, 1999, 2000, 2001, 2002, and 2003.

Type of program: Social insurance system.

Coverage

Employed persons, including domestic employees.

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: 8.89% of gross earnings.

The minimum daily earnings for contribution purposes are €40.62 or the minimum daily wage, whichever is higher.

The minimum wage varies by sector and according to the category of employment.

There are no maximum earnings for contribution purposes, except for the newly insured. The maximum earnings for contribution purposes for newly insured persons entering the system after January 1, 1996, are €85,478 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 minimum daily earnings for contribution purposes are €40.62 or the minimum daily wage, whichever is higher.

The minimum wage varies by sector and according to the category of employment.

There are no maximum earnings for contribution purposes, except for the newly insured. The maximum earnings for contribution purposes for newly insured persons entering the system after January 1, 1996, are €85,478 a year.

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

Qualifying Conditions

Old-age pension: Conditions vary according to three categories of insured persons:

- Category 1. New entrants to the labor force as of 1996. Age 57 (men and women) with at least 5 years of paid contributions. The pension payable must not be less than 120% of the value of the social allowance. There is no entitlement to a pension below this level (€458 a month), unless the insured is aged 65 or older or has 40 years of contributions.
- Category 2. Insured persons with less than 18 years of contributions as of December 31, 1995. Age 65 (men) or age 60 (women) with 20 years of deemed or actual contributions.
- Category 3. Insured persons with at least 18 years of contributions as of December 31, 1995. Age 65 (men) or age 60 (women) with 15 years of deemed or actual contributions. The retirement age is reduced to 60 years (men) or 55 years (women) if assessed as 80% disabled.

The pensioner can begin a new gainful activity or resume the previous activity on a part-time basis (the number of hours worked must be reduced by at least 18 and the employer must hire a new employee to fill the post of the retiree) and combine earnings with a full or reduced pension according to the benefit calculation method.

Seniority pension: Age 57 with 35 years of contributions; regardless of age with 38 years of contributions. The contribution period will rise gradually to 40 years by 2007.

Persons with 40 years of contributions or aged 58 with 37 years of contributions can resume a gainful activity.

New entrants to the labor force as of 1996 are not eligible for the seniority pension.

Social allowance: Payable if not eligible for the old-age pension, aged 65 or older, and an Italian citizen, a citizen of a member state of the European Union and residing in Italy, or a non-European Union citizen who resides in Italy with a residence permit. Income, including that of a partner, must not exceed a government-set level.

Disability pension: Payable for a total and permanent incapacity to perform any work with at least 5 years of contributions, including 3 in the 5 years before the claim. Entitlement is based on the absence of all other forms of income, including earnings from self-employment and unemployment benefits.

Disability allowance (means-tested): Payable for the loss of 2/3 of working capacity with at least 5 years of contributions, including 3 in the 5 years before the claim. The allowance is payable for 3 years; may be extended for additional 3-year periods. After the allowance has been extended for a second consecutive time, the award becomes permanent.

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

Means test: The disability allowance is reduced by 25% if the insured's annual income exceeds four times the legal minimum wage (€22,234.16) or by 50% if the insured's annual income exceeds five times the legal minimum wage (€27,792.70).

Survivor pension (means-tested): The deceased received an old-age, seniority, or disability pension and had 15 years of contributions or 5 years of contributions, including 3 in the 5 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 legal minimum wage, respectively (€16,675.62, €22,234.16, or €27,792.70).

Eligible survivors are the spouse; a separated spouse entitled to alimony; children younger than age 18 (age 21 if in full-time education, age 26 if a university student, no limit if disabled at the time of the insured's death); nephews, nieces, or grandchildren who were dependent on the deceased; or, in the absence of the above, parents older than age 65 without entitlement to a pension who were dependent on the deceased.

Death grant: Payable if the qualifying conditions for the survivor pension are not met. The deceased must have paid at least 1 year's contributions in the previous 5 years.

Old-Age Benefits

Old-age pension: The pension calculation varies according to the starting date of the insurance period.

Category 1: For insured persons whose insurance period began on or after January 1, 1996, the pension is based on a notional annual contribution equal to 33% of annually insured earnings. Notional contributions are adjusted annually according to the average rate of increase in gross domestic product (GDP) during the last 5 years. On retirement, the lifetime accrued notional contribution amount is multiplied by an actuarial coefficient that varies according to the insured's age (from 4.720% at age 57 to 6.136% at age 65).

The maximum annual earnings for benefit calculation purposes for newly insured persons entering the system after January 1, 1996, are €85,478 a year.

If the pension is calculated as per category 1, a pensioner younger than age 63 who resumes a gainful activity loses 100% of the pension; if aged 63 or older, the pensioner loses 50% of the pension exceeding the legal minimum wage (€427.58 a month).

Category 2: For insured persons with less than 18 years of contributions as of December 31, 1995, the pension for the contribution period before January 1, 1996, is based on a

regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to the average insured annual earnings during the last 5 to 10 years. Annual earnings for benefit calculation purposes 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. The pension for the contribution period beginning January 1, 1996, is calculated as per category 1, above.

Insured persons with 15 years of contributions, including at least 5 years made before 1995, can opt for a pension calculated in the same manner as per category 1, above.

Category 3: For insured persons with at least 18 years of contributions as of December 31, 1995, the pension is based on a regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to the average insured annual earnings during the last 5 years. Annual earnings for benefit calculation purposes 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.

If the pension is calculated as per category 3, the pensioner can begin a new gainful activity without any reduction in the pension or can resume the previous activity on a part-time basis and combine earnings with a partial pension. The reduction in the pension is inversely proportional to the reduction in the working week. For insured persons with 40 years of contributions, the reduction in the pension must not exceed 50%.

The minimum monthly pension is €427.58 for a single pensioner with annual income lower than €5,558.54 (if the insured's annual income is between €5,558.54 and €11,117.08, a reduced minimum pension is paid; if the insured's annual income is higher than €11,117.08, no minimum pension is paid) or for a couple with annual income lower than €16,675.62 (if the household's annual income is between €16,675.62 and €22,234.16, a reduced minimum pension is paid; if the household's annual income is higher than €22,234.16, no minimum pension is paid). The minimum monthly pension for a single pensioner aged 70 or older with annual income lower than €7,162.22 is €550.94; €12,124.58 for a couple.

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. The value of the adjustment awarded varies according to the value of the pension from 100% of the calculated adjustment for pensions lower than twice the legal minimum

pension to 75% for pensions higher than three times the legal minimum pension.

Seniority pension: The pension is based on a regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to average insured annual earnings in the last 5 years. Annual earnings for benefit calculation purposes 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.

Persons with 40 years of contributions or aged 58 with 37 years of contributions can continue to work with no restrictions on earnings.

Benefits are payable abroad.

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

Social allowance: The annual benefit is €4,962.36 for a single pensioner with annual income lower than €4,962.36 or for a couple with an annual income lower than €9,924.72; may be increased to €541.35 a month if aged 70 or older, single, and with annual income lower than €7,167.55; €12,129.91, for a couple.

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.

Permanent Disability Benefits

Disability pension: The pension calculation varies according to the starting date of the insurance period.

Category 1: For insured persons whose insurance period began on or after January 1, 1996, the pension is based on a notional annual contribution equal to 33% of annually insured earnings. Notional contributions are adjusted annually according to the average rate of increase in gross domestic product (GDP) during the last 5 years. The lifetime accrued notional contribution amount is multiplied by an actuarial coefficient that varies according to the insured's age (from 4.720% at age 57 to 6.136% at age 65). If the onset of disability is before age 57, the coefficient corresponding to age 57 is used.

Category 2: For insured persons with less than 18 years of contributions as of December 31, 1995, the pension for the contribution period before January 1, 1996, is based on a regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to the average insured annual earnings

during the last 5 to 10 years. Annual earnings for benefit calculation purposes 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. The pension for the contribution period beginning January 1, 1996, is calculated as per category 1.

Insured persons with 15 years of contributions, including at least 5 years before 1995, can opt for a pension calculated as per category 1, above.

Category 3: For insured persons with at least 18 years of contributions as of December 31, 1995, the pension is based on a regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to the average insured annual earnings during the last 5 years. Annual earnings for benefit calculation purposes 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.

For each of the three categories above, an increment based on the number of years that the onset of disability occurs before the insured reached the normal retirement age is added to the pension.

The minimum monthly pension is €550.94 for a single pensioner aged 60 or older with income lower than €7,162.22; €12,124.58 for a couple.

Constant-attendance supplement: €450.78 a month.

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 allowance (means-tested): The pension calculation varies according to the starting date of the insurance period.

Category 1: For insured persons whose insurance period began on or after January 1, 1996, the pension is based on a notional annual contribution equal to 33% of annually insured earnings. Notional contributions are adjusted annually according to the average rate of increase in gross domestic product (GDP) during the last 5 years. The lifetime accrued notional contribution amount is multiplied by an actuarial coefficient that varies according to the insured's age (from 4.720% at age 57 to 6.136% at age 65). If the onset of disability occurs before age 57, the coefficient corresponding to age 57 is used.

Category 2: For insured persons with less than 18 years of contributions as of December 31, 1995, the pension for the contribution period before January 1, 1996, is based on a

regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to the average insured annual earnings during the last 5 to 10 years. Annual earnings for benefit calculation purposes 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. The pension for the contribution period beginning January 1, 1996, is calculated as per category 1, above.

Insured persons with 15 years of contributions, including at least 5 years before 1995, can opt for a pension calculated as per category 1, above.

Category 3: For insured persons with at least 18 years of contributions as of December 31, 1995, the pension is based on a regressive percentage (from 2%, for annual earnings not greater than €38,909.78, to 0.9%, for annual earnings greater than €75,040.29) of reference earnings multiplied by the number of years of contributions up to 40 years. Reference earnings are equal to the average insured annual earnings during the last 5 years. Annual earnings for benefit calculation purposes 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.

No increment is paid for the anticipated number of years between the date of the onset of disability and the normal retirement age.

The minimum monthly pension is €427.58.

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.

Survivor Benefits

Survivor pension (means-tested): 60% of the pension paid or payable to the deceased 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 equal to 2 years' pension is paid.

Other eligible survivors (in the absence of the above): Each parent, brother, or sister receives 15% of the pension paid or payable to the deceased.

The total survivor pension must not exceed 100% of the deceased's pension.

Death grant: A lump sum equal to 45 times the total amount of paid contributions is paid.

The minimum grant is €22.31.

The maximum grant is €66.93.

For the death of an insured person who entered the labor force on or after January 1, 1996, a lump-sum benefit equal to the disability allowance multiplied by the number of years of contributions may be paid under certain conditions.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.welfare.gov.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Social Insurance 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, 1970 (tuberculosis), 1971 (working mothers), 1977 (equal treatment), 1978 (health service), 1980, 1983, 1999 (sickness benefits), 2000 (maternity and paternity), and 2001.

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.

Tuberculosis benefits: None.

Employer

Sickness and maternity benefits: 2.68% of gross earnings is paid on behalf of industrial blue-collar workers (2.22% for sickness benefits and 0.46% for maternity benefits); 0.46% of gross earnings is paid on behalf of industrial white-collar workers (zero for sickness benefits and 0.46% for maternity benefits); 2.68% of gross earnings is paid on behalf of employees in commerce and the service sector (2.44% for sickness benefits and 0.24% for maternity benefits). Variable contributions are made on behalf of 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, agricultural, and domestic workers.

Tuberculosis benefits: The total cost.

Qualifying Conditions

Cash sickness and maternity benefits and parental leave: Must be currently covered; self-employed persons and contract workers must meet contribution conditions and a means test.

Tuberculosis benefits: Must have 1 year of coverage.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 50% of average daily earnings is paid for the first 20 days of incapacity; thereafter, 66.6%. The benefit is payable after a 3-day waiting period for up to 180 days; may be extended in special cases.

For contract workers, the daily benefit is awarded only for days of hospitalization, and the amount varies according to the number of contributions made in the 12 months before hospitalization. The benefit is payable for 180 days of hospitalization a year.

Maternity benefit: The benefit is equal to 80% of average daily earnings in the last month before the leave period and is payable from 2 months before the expected date of childbirth and for 3 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 payable from 2 months before the expected date of childbirth and for 3 months after childbirth.

Parental leave: Six months' leave must be taken before the child is age 3 and is paid to either parent; a self-employed mother receives 3 months' leave to be taken before the child is age 1. The benefit is equal to 30% of earnings. Parents are entitled to an additional 6 months' leave before the child is age 8, plus an income-tested allowance equal to 30% of

earnings if the parent's income is less than 2.5 times the minimum pension.

Tuberculosis benefits

Daily benefit: A daily benefit of €11.21 (€5.60 if the beneficiary is a pensioner or the insured's dependent) is paid while receiving institutional care.

Postsanatorium benefit: A daily benefit of €18.67 (€9.34 if the beneficiary is a pensioner or the insured's dependent) is paid for a maximum of 2 years after leaving institutional care that had lasted for at least 6 months.

Care and support allowance: A monthly allowance of €75.28 is paid for a renewable 2-year period if the insured person has lost at least 50% of earning capacity.

Christmas allowance: A supplementary 30 days' benefit is paid in addition to the benefits already received.

Workers' Medical Benefits

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

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

There is no limit to duration.

Dependents' Medical Benefits

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

Cost sharing: Copayments are made by patients of up to 50% of the cost of certain prescribed medicines and up to €36 for each prescribed medical service. Copayments are waived for certain categories of insured persons (including children younger than age 6, disabled persons, and persons

receiving minimum social benefits) and for persons with certain medical conditions.

There is no limit to duration.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.welfare.gov.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

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

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

Work Injury

Regulatory Framework

First law: 1898.

Current laws: 1965 (work injury insurance), 2000 (disability benefits), and 2000 (domestic accidents).

Type of program: Social insurance system.

Coverage

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

Special system for seamen.

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: Finances administrative costs.

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 payable after a 3-

day waiting period. The employer must pay 100% of earnings to the insured for the day on which the accident or the onset of an occupational disease occurred and a minimum of 60% of earnings for the next 3 days.

The average daily wage is based on earnings in the last 15 days before the accident or the onset of an occupational disease.

For certain categories of workers (including agricultural fixed-term contract workers and agricultural self-employed persons), benefits are calculated on the basis of a reference income fixed 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 calculated on the basis of average earnings during the year preceding the date of the accident or the onset of the occupational disease and the assessed degree of disability. For an assessed degree of disability from 11% to 64%, the pension is calculated on the basis of 50% to 98% of reference earnings; for an assessed degree of disability greater than 64%, the pension is calculated on the basis of 100% of reference earnings. The amount of the pension may be revised according to changes in the assessed degree of disability.

The minimum annual earnings for benefit calculation purposes are €12,608.40.

The maximum annual earnings for benefit calculation purposes are €23,415.60.

Reference earnings are equal to an annual fixed amount of €19,028.11 for agricultural fixed-term contract workers; €12,608.40 for agricultural self-employed persons.

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).

Constant-attendance supplement: €415.13 a month is paid for an assessed permanent disability of 100%.

The pension cannot be combined with old-age, disability, and survivor pensions.

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): Two types of compensation are paid:

- Compensation for an illness is paid in the form of a lump sum or a pension. The amount is calculated on the basis of the insured's age, gender, and degree of disability. There is no earnings test.

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

If the assessed degree of disability is less than 6%, no compensation is paid. If the assessed degree of disability is from 6% to 15%, compensation for an illness is paid as a lump sum. If the assessed degree of disability is at least 16%, a pension is calculated based on both types of compensation.

Constant-attendance supplement: €415.13 a month is paid for an assessed permanent disability of 100%.

The pension cannot be combined with old-age, disability, and survivor pensions.

The pension is payable abroad.

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 payable for 1 year to compensate insured workers who are forced to abandon a harmful work position in order to avoid aggravating a diagnosed disease. The compensation is paid for a degree of disability up to 80%. If the insured has become unemployed, the amount paid is equal to 2/3 of the average daily wage received in the 30 days preceding the abandonment of the harmful work position. If the insured has changed employment, the amount is equal to 2/3 of the difference between the average daily wage received in the period of 30 days preceding the abandonment of the former harmful work position and the remuneration received in the new employment.

Unemployability pension: A monthly payment of €214.64 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 colleagues' or workplace safety.

Benefit adjustment: Benefits are adjusted annually in July 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 in full-time education, 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 (in the absence of the above):

Each dependent parent or 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.

The maximum survivor pension is equal to 100% of the deceased's earnings.

Funeral grant: A lump sum of €1,663.34 is paid to the person who paid for the funeral expenses.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.welfare.gov.it>) provides 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.

Unemployment

Regulatory Framework

First law: 1919.

Current laws: 1975, 1988, 1991, 1994, 1996, 1997, 1998, 2000, and 2005.

Type of program: Social insurance system.

Coverage

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

Source of Funds

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

Self-employed person: Not applicable.

Employer: Employers with less than 50 employees make no contributions. Industrial employers with 50 or more employees contribute 1.61% of gross earnings (2.21% of gross earnings for employers in commerce). Industrial employers also contribute an additional 2.8% of gross earnings for the special wage supplement.

There are no maximum earnings for contribution purposes.

Government: Administrative costs, plus subsidies for agricultural workers.

Qualifying Conditions

Total unemployment benefits

Unemployment benefit: The insured must have at least 2 years of insurance coverage with 52 weeks of contributions in the last 2 years; construction workers must have 43 weeks of contributions during 2 years of employment in the sector. Insured persons with 2 years of insurance coverage and 78 days of actual or deemed contributions during the last year before unemployment are eligible for a reduced benefit. Unemployment must be involuntary.

Mobility allowance: Paid to industrial workers (apart from construction workers) with at least 1 year of insurance coverage and 6 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 Insurance Institute. The claim is made by the employer on behalf of 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 working week due to restructuring or a change in activity. The claim is made by the employer on behalf of the employee.

Unemployment Benefits

Total unemployment benefits

Unemployment benefit: Benefits are payable for a maximum of 7 months; 10 months for beneficiaries aged 50 or older. Daily benefits are equal to 50% of the gross average daily wage for the first 6 months and 40% for the 7th month. Beneficiaries aged 50 or older receive 50% of the gross average daily wage during the first 6 months, 40% for the next 3 months, and 30% for the 10th month.

The gross average daily wage is based on earnings in the previous 3 months.

The maximum monthly benefit is €830.77; €998.50 if the insured's gross earnings before unemployment were more than €1,797.31 a month.

Construction workers receive 80% of earnings during the first 12 months of unemployment; thereafter, 64% for a maximum period of between 18 months and 27 months, depending on the location of the employing firm.

Insured persons eligible for reduced benefits receive 30% of the gross average daily wage. The duration of benefits depends on the number of days that the insured had worked during the last year before unemployment, up to a maximum of 156 days.

The maximum reduced benefit is €819.62 a month; €985.10 if the insured's gross earnings before unemployment were more than €1,797.31 a month.

Mobility allowance: 80% of the insured's last earnings are paid for up to 12 months; thereafter, 64%. The maximum duration of the allowance varies from 12 months to 36 months (24 months to 48 months in southern regions) and is dependent on the age of the worker and the location of the place of employment.

The maximum monthly benefit is €830.77; €998.50 if the insured's gross earnings before unemployment were more than €1,797.31 a month.

Partial unemployment benefit

Ordinary wage supplement: The benefit is equal to 80% of lost earnings caused by a reduction in the work week of between 24 and 40 hours and is awarded for a maximum period of 12 months.

The maximum monthly benefit is €830.77; €998.50 if the insured's gross earnings before unemployment were more than €1,797.31 a month.

Special wage supplement: The benefit is equal to 80% of lost earnings caused by a reduction in the work week of up to 40 hours and is awarded for a maximum period of 24 months.

The maximum monthly benefit is €830.77; €998.50 if the insured's gross earnings before unemployment were more than €1,797.31 a month.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.welfare.gov.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

National Social Insurance 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), and 1999.

Type of program: Employment-related system.

Coverage

Children and dependents of employees or social insurance, welfare, and unemployment 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: 2.48% of gross payroll.

The minimum daily earnings for contribution purposes are €40.62 or, if higher, the minimum wage.

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

Qualifying Conditions

Family allowances (means-tested): The insured is 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 in full-time education, 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 €21,671.69.

Family Allowance Benefits

Family allowances (means-tested): The monthly benefit varies from €10.33 to €965.26, according to the number of family members and certain other criteria (including the number of dependents and disabled family members or for single-parent families).

Family support allowance (means-tested): The benefit is €120.39.

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 and Social Welfare (<http://www.welfare.gov.it>) and Ministry of Economy and Finance (<http://www.tesoro.it>) provide general supervision.

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

Employers pay allowances directly to employees (except in agriculture), including domestic workers, and settle any surplus or deficit in contributions with the local branch office of the National Social Insurance Institute.