IGP Country Profile
2022

Italy

Prepared by:
UnipolSai Assicurazioni S.p.A.
and UniSalute S.p.A.

Preface

This Country Profile has been prepared by **UnipolSai Assicurazioni S.p.A. & UniSalute S.p.A.** for the International Group Program (IGP).

The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in around 70 countries throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston, our regional offices in Brussels and Singapore, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

IGP is managed by John Hancock Life Insurance Company (U.S.A.), the U.S. operation of Manulife Financial Corporation, a leading financial services group based in Toronto, Canada. Manulife offers its clients a diverse range of financial protection products and wealth management services. Both Manulife Financial and John Hancock are internationally recognized brands that have stood for financial strength and integrity for more than a century.

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Your Local Link to IGP in Italy: UnipolSai Assicurazioni S.p.A. & UniSalute S.p.A.

UnipolSai Assicurazioni S.p.A. was born out of the merger of some of the most important and historic Italian insurance companies - Unipol Assicurazioni, Fondiaria-SAI and Milano Assicurazioni - and Premafin, holding company of the former Fondiaria-Sai Group.

Unipol Assicurazioni's history starts in 1963 when the insurance company began to operate in the Non-Life business after being acquired by certain cooperatives belonging to Lega delle Cooperative (League of Cooperatives) based in Bologna to bring together the associates' insurance portfolio in one company. In 1969 Unipol started operations in the Life business. In the 70s, the trade unions CGIL, CISL and UIL became shareholders and the shareholder base expanded with the addition of three industry organizations (CNA, CIA and Confesercenti) representing the interests of artisans, farmers and retailers. In the 80s, Unipol Assicurazioni was among the top 10 insurance groups in Italy and was listed on the Stock Exchange, with preference shares in 1986 and later with ordinary shares in 1990.

Fondiaria Assicurazioni S.p.A. was founded in Florence in 1879; in 1984, it acquired Milano Assicurazioni and in 1995, it incorporated Compagnia Latina di Assicurazione and La Fenice Ri.

Società Assicuratrice Industriale S.p.A. (S.A.I.) was founded in Turin in 1921; in 1995, it acquired Nuova Maa.
Premafin was the parent company of SAI Società Assicuratrice Industriale and acquired La Fondiaria in 2001. With the merger by incorporation of La Fondiaria into SAI in 2002, Premafin became the controlling shareholder of Fondiaria-Sai, the parent company of a number of companies operating in the insurance, finance, banking, real estate, agriculture, healthcare and services sectors.

In 2012, Unipol Gruppo Finanziario took control of Fondiaria-SAI (through Premafin Finanziaria), thus helping to create, with its staff and customers, one of the leading insurance and financial groups operating in Italy and one of the largest in Europe.

Today UNIPOLSAI is the Italian leader in MV insurance, with an extremely high profile in Non-Life business. It operates throughout Italy, with a network of approximately 2,610 agencies and (figures as of 31/12/2019):
- approximately 16 million customers,
- more than € 14 billion in premiums,
- more than 12,000 employees.

UNIPOLSAI ASSICURAZIONI S.p.A. has been a member of the International Group Program since 1967.

UniSalute S.p.A.
Founded by the Unipol Group in 1995, UniSalute is the only company in Italy that, for 25 years, has been dedicated exclusively to health protection.

Today, it is 98.99% owned by UnipolSai Assicurazioni S.p.A.
Belonging to the Unipol Group allows both Companies to guarantee maximum solidity and reliability for all partners, workers, companies and families.

UniSalute is the Italian leader in the management of national professional healthfunds.
It manages 43 national professional health funds, deriving from national collective bargaining agreements (98% of the market), of which 38 with direct authorisation.
It also manages institutions/funds dedicated exclusively to welfare, established pursuant to Article 51 of the Consolidated Law on Income Tax (TUIR), and offers customised health plans supplemented with a wide range of services to effectively meet the various protection needs of organisations

and companies of every size and type.

UniSalute has an internal Call Centre owned by the Company, staffed by over 390 highly qualified operators and 50 doctors with different areas of specialisation, including emergency and first aid experts, who provide medical and technical support to the settlement office.

Another strength of UniSalute is its network of affiliated healthcare facilities: the company has specifically selected a network of healthcare facilities located across the country and abroad, guaranteeing the premium quality of services offered. The network is established by UniSalute through direct contact and, according to the UniSalute Model, only manages customers of the company. Through this affiliated network, UniSalute is able to guarantee all policyholders direct assistance, with the company directly paying the relevant facility for the services provided.

UniSalute S.p.A. has been a member of the International Group Program since 2019.

Key Products

Life

- Life
- Life Cover for Retirees
- Accidental Death and Disability
- Permanent and Total Disability
- Dirigenti Life Plans
- Optional Supplemental Life (Employer Funded)
- Widow’s and Orphans’ Pensions

Disability

- Accident and Sickness
- Long-Term Disability
- Waiver of Premium

Medical

- Hospital and Surgical
- Major Medical

Pensions

- Managed Funds

Other

- Group Personal Accident
- Travel Accident

In August 1995, the Italian Parliament approved the Social Security Reform Law proposed by the Government of Mr. Dini. The major aims of this reform were to reduce the Social Security expense covered by the state, to reduce its impact on GDP, and above all, to simplify the benefits system.
The basic points of the reform included:

- A new system to calculate the state pension based on actual paid contributions (defined contribution) rather than based on a percentage of final earnings (defined benefit). This new system for calculating state pensions began to be phased in on January 1, 1996;
- Flexibility of the retirement age;
- Gradual reduction in the amount of the seniority pension;
- Harmonization of benefits between men and women, and between public and private employees;
- The revision of Decree 124, approved in 1993, concerning the implementation of pension funds.

After 1995, the Italian Parliament introduced other changes:

- 1997: alignment of pension rules of workers of public sector with those of private sector; temporary freezing of indexation to prices for higher pension.
- 2004: more restrictive requisites to retire in mixed and fully NDC system, with the aim of increasing the effective age of retirement and consequently the replacement rates.
- 2007: revision of the procedure for updating the so called “transformation coefficients” through a simplified procedure which falls entirely within administrative competences.
- 2010: Rise of age requirements for women working in Public Administration.

At the end of 2011, there was another important reform proposed by Monti’s Government. The main details are developed below:

- Extension of the contribution-based system to all workers as of 2012.
- Increase from 60 to 62 (63 and 6 months for self-employed) in the statutory retirement age for women working in the private sector, as of 2012. Further increases in the following years to reach the age of 66 as of 2018.
- Increase from 65 to 66 in statutory retirement age for all other workers, as of 2012. So-called “windows mechanism” eliminated.
- At least 20 years of contribution and pension benefits equal to at least 1.5 times the social pension needed to retire.
- A safeguard clause to guarantee that the statutory retirement age increases for all up to 67 as of 2021 (in case this threshold is not reached through the automatic mechanism linking retirement age to increases in life expectancy).
- Transformation coefficients calculated up to 70 years and linked to developments in life expectancy. This determines an increase in pension benefits and an incentive to retire later than the statutory age.
- As of 2012, increase in the required contribution for early retirement pensions from 40 to 42 years and 1 month for men and 41 years and 1 month for women. Then, by 2014, increase to 42 years and 3 months for men and 41 years and 3 months for women. Early retirement allowed only through this channel (the previous system is abolished).
- For people retiring before 62, the benefits related to contributions accrued before 2012 will be reduced by 2pp per year up to the age of 62.
- Possibility to retire early at 63 with at least 20 years of contributions and a pension benefit equal to at least 2.8 times the social pension (workers who started working after 1996).
- As of 2013, all pension requirements (regardless of age) will also change in line with developments in life expectancy.
- After 2019, adjustments for the effects of life expectancy will be carried out every 2 years (instead of every 3 years).
- Creation of a board of experts to study new forms of gradual access to pensions, de-contribution and complementary pillars – these are the major measures in order to deal with the transition (reduce the impact of the immediate changes) and the adequacy of the per capita pension wealth.

The 2019 Pension Reform of the Conte Government rewrites the Fornero Reform 2012, which had made profound changes to our pension system and some serious problems of a social nature, such as the question of exoduses with consequences on what pensions are today. The main details are below:

- Quota 100: the possibility of retiring with a minimum of 62 years of age and 38 years of contributions is introduced for 3 years (until 2021). To encourage generational turnover in the company, bilateral solidarity funds will be able to pay an extraordinary allowance to support workers' income. Expected to accumulate income / pension until the age of retirement pension is reached.
- Block life expectancy: The rule concerns the five months taken in 2019, which do not apply to those who retire early. In practice, the requirement remains at 42 years and three months for men and at 41 years and three months for women. The rule applies to INPS members, even in separate management. The block works until 2026.
- Early workers: Also for this audience of workers the 5-month block of life expectancy is expected, limited to the 2019 and 2021 shots. Therefore, until 2023 these workers will retire with 41 years of contributions. Recall that early workers must have at least one year of contributions paid within the age of 19, and belong to one of the four categories of beneficiaries envisaged by the law (unemployed who have finished receiving benefits for at least three months, caregiver, disability at least 74% at work, heavy duties). Also in this case, a quarterly window for the start of the pension.
- Women's Option: Workers who have completed 58 years (if employees), or 59 years (if autonomous) can withdraw with 35 years of contributions. Compared to the first draft, therefore, also those born in 1960 are included. Also in this case, the life expectancy shots do not apply. Instead, as in the past, exit windows are provided, pariah 12 and 18 months respectively
- APE Sociale: Extension of the measure year, which therefore remains valid until 31 December 2019. It means that those who accrue the requirement by 31 December 2019 are entitled to the replacement indemnity (the measure was completed on 31 December 2018). The service lasts up to the attainment of the registry age for the old-age pension. Requirements: at least 63 years of age and at least 30 years or 36 years depending on the case, with a bonus of one year for each child (maximum 2) for female workers
- Contributionary Peace: Employees and self-employed workers are given the opportunity to cover the gaps in contributions since 1996. Another possibility offered regards the facilitated redemption of the degree.
- Pension indexation: from 1 January 2019, the contribution requirements for early retirement are crystallized, which consequently remain at 42 and 10 months for men and 41 and 10 months for women. Quarterly movable windows are restored.
- Citizenship pension: a contribution of up to 780 euros is recognized for income support for those who enjoy a very low pension.

Social Security Benefits and Customary Private Employee Benefits

Introduction:

According to a generally accepted definition, Social Security is "a complete system of protection for the individual from social risks, thus making the individual secure socially." From this definition, it follows that Social Security in Italy embraces all forms of national insurance, as well as those of public assistance.

Social Security in Italy is divided into two branches:

- The social insurance schemes for employed persons,
- The public assistance provided by the state, regions, communities, and other public organizations for needy persons not protected by the social insurance schemes.

Due to the continuous extension of protection for all employed and self-employed persons, public assistance has lost much of its importance, while social insurance ("Previdenza Sociale") has acquired more and more importance and now also provides for public assistance.

Social Insurance comprises:

- Miscellaneous pensions
- Protection for sickness and maternity
- Industrial accidents
- Occupational diseases
- Involuntary unemployment
- Family allowances
- Other benefits referred to in this Country Profile

The majority of social insurance benefits are administered by the following institutes:

- The National Institute of Social Insurance (INPS), which covers approximately 90% of Italian workers;
- The National Institute for Industrial Accident Insurance (INAIL).
- Since January 1, 1980, health and medical assistance has been provided by the National Health Service, which covers all citizens.

Other (minor) organizations providing for the protection of particular categories of employees:

- The Dirigenti Provident Fund, known as Fondo di Previdenza Dirigenti Aziende Commerciali (FPDAC), for senior managers of commercial organizations. This fund provides benefits in addition to those provided by INPS.
- The state and public administration organizations have their own pension plans for their employees, either directly or through separate funds.

Insurance companies are playing an important role in supplementing the benefits provided under the social security system. The life insurance industry complements Social Security by offering a comprehensive package of coverage called "collective" insurance, which has the following primary advantages:

- Lower costs
- Higher return
- More liberal underwriting conditions
- Flexibility on premium payment

Social Security Contributions:

Contributions Paid To Social Security for Pensions and For Health and Medical Assistance* (In percentage of total earnings subject to contributions)

	Total %	Paid by Employee
Industry		
• Workers of a firm with less than 50 employees	42.77	9.19
• Workers of a firm with more than 50 employees	43.07	9.19
• Staff of a firm with less than 50 employees	40.55	9.19
• Staff of a firm with more than 50 employees	40.85	9.19
• Dirigenti	37.19	8.89
Commerce		
• Workers and Staff with more than 50 employees	39.67	9.19
• Dirigenti	37.29	8.89
Handicraft		
• Workers	45.23	8.54
• Staff	35.97	8.54
Credit/Insurance		
• Workers and Staff	37.12	8.89
• Dirigenti	36.99	8.89

* The contribution due from employees is increased to 1.0% for total earnings exceeding € 35,143.86.

Medical Social Security Contributions:

The package of debt measures drawn up by the Government to reduce the huge Italian public expense also affects health and medical assistance, which greatly contributes to the state deficit. Several provisions have already been introduced by the Government and approved by Parliament. Many others are still to be discussed and will probably be dealt with in the next few years. The main changes to the current very generous system could be summarized as follows:

- An increase in budget decentralization from the State to Regions in the Health and Medicare fields, which will give the latter direct control over the expenses of the sector and the possibility to increase health contributions, issue new taxes, and so on.
- The abolishment of the € 44 levy for those with family income above specified levels.
- A new payment system for prescription drugs.
- SSN now pays 100% of the cost of life-saving drugs and drugs for treatment of chronic illnesses, 50% of cost of normal drugs, and 0% for over-the-counter and elective drugs.
- For specialist and diagnostic treatment directly provided by SSN, the patient must pay a deductible equal to 100% of the first € 52.
- The dirigente pays a contribution equal to € 610 per annum.

Retirement Social Security Contributions:

Contributions to INPS are expressed as a percentage of the total gross salary received for employees and on earnings for the self-employed. Total salary includes all forms of compensation, whether cash or in kind.
The contributions are paid partly by the employers and partly by the employees.

The minimum years of contribution is 5 years. However, the amount of contributions paid must result in a pension equal to 1.5 times the amount of the Minimum Pension (€ 515,18 monthly base).

<table>
<tr><th colspan="2">DEATH BENEFITS</th></tr>
<tr><th>Social Security Benefits</th><th>Customary Private Employee Benefits</th></tr>
<tr><td>
Survivors' Pensions: National Social Ins. Institute (INPS)
<u>Eligibility</u>
All gainfully employed persons, except those covered by special schemes for seamen, liberal professions, and industrial managers.
Survivors' pensions are subject to a minimum of 15 years of contributions for old-age pension or 5 years of contributions for disability pensions, unless death is due to causes connected with employment.
If the minimum years of contributions are not met, survivors are entitled to a pension if not entitled to the Social Allowance or another employment-related accident or illness annuity due to the death of the insured.
Survivors' pensions are paid to the dependents (widow(er), orphans, parents, brothers and/or sisters) of the insured or of the pensioner.
In the absence of a widow(er)'s and orphans' pension, a pension may be payable to the parents (over age 65 who are not entitled to a pension and are supported by the insured at the time of his or her death).
In the absence of any parents, the pension is paid to any unmarried brothers and sisters, if they are unable to work and were supported by the insured at the time of his or her death. The pension due to parents or to each brother and sister is equal to 15% of the insured's accrued or actual old-age pension.
The Reform Law provides more restrictive limits with regard to the possibility of accumulating survivors' pension in combination with other incomes. The percentage of eligible pension is inversely proportional to other income received.
Spouse's Pension
The widow(er)'s pension is equal to 60% of the insured's actual or accrued old-age pension, 70% if the widow(er)'s children are under age 18 (age 21 if a student, age 26 if attending a university, no age limit for invalids).
The pension terminates upon remarriage and a lump-sum equal to two years' pension is paid.
Orphans' Pension
Each orphan under age 18 (age 21 if a student, age 26 if attending a university; no age limit for invalids), is entitled to a pension equal to 20% of the actual or accrued old-age pension, or 40% if both parents are dead or if the widow(er) remarries.
For Industrial Dirigenti
All executives of the industrial sector must be compulsorily insured by a life policy in case of death or permanent and total disability. The lump-sum insured depends upon the dirigenti's family status:

EUR 200,000 for a dirigente without family dependents;
EUR 3000,000 for a dirigente with one or more family dependents.
The cost of the coverage is borne by the employer. The Dirigente participates with a fixed amount.

</td><td>
Death Benefits
This type of insurance provides a lump-sum benefit, generally linked to the annual salary of the insured (e.g., two, three, four, etc. times annual compensation).

It is not an expensive coverage. Rates are lower than the normal individual tariffs, and some tariffs have a local dividend based on the mortality experience of the group insured.

Employers are giving more serious consideration to setting up such plans due to the absence of death benefits (lump-sums) provided by Social Security.

Accident Benefits
In Italy, all gainfully employed persons are divided into the following four classes:

Impiegati (white collar workers)
Operai (blue collar workers)
Dirigenti (executives and senior managers)
Quadri (highly trained technicians and middle managers)

Since 1986, the National Labor Agreement of the Industrial Dirigenti provides that dirigenti must be compulsorily covered by an Accident Policy in case of Death caused by accident.

The coverage must provide:

A lump-sum equal to five times the annual salary in case of Accidental Death.

In certain industrial sectors, there is a tendency to introduce a compulsory form of private insurance for employees as well as for executives.
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</table>

DISABILITY BENEFITS	
Social Security Benefits	**Customary Private Employee Benefits**
Disability Benefits: National Social Ins. Institute (INPS) Eligibility A person is considered disabled when his earning capacity is reduced completely (100%). All workers participating in INPS are eligible for disability benefits. The disability pension matures after five years of participation. Benefits In case that the working activities started from 31/12/1995 the amount is calculated on the basis as contributory system, in other case as mix of contributory or pro rata method system. For Industrial Dirigenti Disability benefits are payable after five years of contributions and with a completely loss of earning capacity (100%). An annuity is payable equal to the accrued retirement pension. Pensions in the course of payment are adjusted with regard to any substantial change in the cost of living.	Permanent and Total Disability PTD is a typical rider to a life policy and provides a benefit if an insured has lost at least two-thirds of his or her earning capacity due to accident or illness. A lump-sum benefit equal to two or three times annual salary is common. Illness and Temporary Disability Caused by Accident There is a tendency in Italy to offer benefits to complement Social Security, or complete coverage for classes of professionals who are not covered by Social Security, or for uninsured relatives of people covered by Social Security (only for hospitalization). Medical Expenses for doctors' home visits are offered by some companies but have evidenced a very negative trend. An integration of hospitalization expenses is generally offered with fixed limits for each year of insurance; i.e., € 2,066 to € 2,582. Private insurance companies have considered other types of coverage, such as a system of daily allowances in substitution for the reimbursement of hospitalization expenses, and a plan for catastrophic expenses (€ 5,165 to € 7,747), subject to a deductible. Some insurance companies offer wage replacement for workers in case of illness; however, this form of insurance is rather costly. Accident Benefits In Italy, all gainfully employed persons are divided into the following four classes: • Impiegati (white collar workers) • Operai (blue collar workers) • Dirigenti (executives and senior managers) • Quadri (highly trained technicians and middle managers) Since 1986, the National Labor Agreement of the Industrial Dirigenti provides that dirigenti must be compulsorily covered by an Accident Policy in case of Permanent and Total Disability caused by accident. The coverage must provide: • A lump-sum equal to six times the annual salary in case of Permanent and Total Disability caused by accident. In certain industrial sectors, there is a tendency to introduce a compulsory form of private insurance for employees as well as for executives.

<table>
<tr><th colspan="2">MEDICAL BENEFITS</th></tr>
<tr><th>Social Security Benefits</th><th>Customary Private Employee Benefits</th></tr>
<tr><td>
National Health Service – SSN
<u>Eligibility</u>
Italian citizens and citizens of other EU Member States are entitled to sickness and maternity benefits, if they reside in Italy and have registered with the local health unit (USL) of the area in which they reside.

<u>Benefits</u>
All Italian nationals residing in Italy, as well as foreigners working in Italy and their dependents are entitled to health benefits.

Health Benefits Include:
• Treatment by a general practitioner at home or at his surgery;
• Specialist pediatric and obstetric/gynecological treatment;
• Specialist treatment (including dental treatment) in public out-patient departments and in private out-patient departments that have concluded an agreement with the National Health Service;
• Hospitalization (including confinement) in public medical establishments (hospitals, clinics, etc.) and in private medical establishments that have concluded an agreement with the National Health Service;
• Medicines and drugs.
Health benefits are provided for an indefinite period.

How are Health Benefits Provided?
Health benefits can be provided directly or indirectly. Direct provision means that the treatment or medicine is provided free of charge by the local health unit (USL) or by authorized doctors or pharmacists. Indirect provision, however, means that the patient initially pays the cost of benefits received and is subsequently reimbursed. As a rule, health benefits are provided directly through the structures and services that are administered by the local health units.

General Medical Assistance
General assistance is provided directly, either at a general practitioner's office or at the patient's home if he is confined to bed. A patient may seek such assistance only from the general practitioner with whom he/she is registered or, in his absence, from his appointed locum tenens.
If a patient is temporarily away from his/her place of residence or of his/her stay, he/she may, in an emergency, seek treatment from any doctor who has concluded a contract with the health service, but he/she must bear the cost of treatment within the limits of the minimum fixed charges. For emergencies, there is a medical service at night, as well as on Sundays and holidays.
Pediatric treatment is provided up to age 12.

Medicines
Pharmaceutical products are provided directly on production of the medical prescription to the dispensing pharmacist. The prescription may be issued either by a general practitioner or by a specialist working in the framework of the health
</td><td>For a sample of a group health insurance plan, please see page 21.</td></tr>
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MEDICAL BENEFITS	
Social Security Benefits	**Customary Private Employee Benefits**
service's structures. Most medicines are listed in the treatment manual (Prontuario Terapeutico); two categories of medicines listed in this manual must be distinguished.The first category is entirely free of charge; it includes medicines intended for the treatment of emergency situations, high-risk illnesses, and serious conditions that require long-term treatment. In respect of other medicines, you have to pay a part of the cost. This part is paid directly to the dispensing pharmacist at the time when you obtain the medicine. A fixed charge is payable for each medical prescription. If a doctor prescribes a medicine, that is not included in the treatment manual, you must bear the total cost. Specialist Treatment and Treatment in Hospital Specialist treatment is provided directly by out-patient departments of the local health unit (USL) or at private establishments, which have concluded a contract with the health service. Persons receiving treatment are required to pay part of the cost of diagnostic and laboratory services. Hospital treatment is provided free of charge at hospitals and at private clinics, which have concluded an agreement with the health service. Except in emergency situations, a patient will be admitted to a hospital only on presentation of a covering note from his/her general practitioner. Admission to private clinics, which have concluded a contract with the health service, is subject to prior authorization by the patient's local health unit. A stay in the hospital is free of charge. However, if you request special facilities (private room, telephone, television), you are required to pay the extra cost. Supplementary Benefits Supplementary benefits are generally provided indirectly by reimbursement of part of the cost. They are restricted to the provision of hydrothermal treatment, specified prosthetic and orthopedic treatment, and certain treatment facilities. In order to obtain supplementary benefits, an application accompanied by a recommendation from the doctor dealing with the case must be submitted to the local health unit. How to Obtain Health Benefits In order to be eligible for health benefits, a patient must have registered with the local health unit (USL) of his/her place of residence. At the time of registering, a patient must choose his/her general practitioner from among a list of doctors, who have concluded a contract with the National Health Service. When the need arises, he/she should attend the doctor's office. If the patient is confined to bed, he/she may ask the doctor to make a home visit. **Cash Sickness Benefits** All workers legally employed in the private sector, whether Italian or foreign, are entitled to cash sickness benefits. Unemployed persons are also entitled to these benefits, but only within the limits of the period during which they receive unemployment benefits.	

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<tr><th colspan="2">MEDICAL BENEFITS</th></tr>
<tr><th>Social Security Benefits</th><th>Customary Private Employee Benefits</th></tr>
<tr><td>Formalities to be Observed
If a person is incapable of working because of sickness, he/she is obliged to forward the medical certificate issued by his/her doctor at the onset of his/her illness to the local INPS office or to the local health unit.
The certificate must contain the diagnosis, and must be sent to the INPS or USL within two days of the date on which he/she received it from your doctor. If this time limit is not respected, the cash sickness benefit will be paid to the person only from the date on which the certificate was forwarded. If the person still has not recovered at the end of the period of incapacity for work, as indicated on the medical certificate, he/she must forward to the local INPS office or the local health unit a medical certificate attesting he/she is still ill, within two days of the expiry of the preceding period.
Within this same period of two days, a copy of the medical certificate at the onset of the illness and a copy of the renewal certificate stating that the person is still ill needs to be forwarded to the employer. These documents should be sent by registered mail and an acknowledgement of receipt should be obtained.

Amount and Duration of Benefits
Cash sickness benefit is payable from the fourth day of sickness, for a maximum of 180 days per year. Between the 4th and 20th day of sickness, it amounts to half of the average overall daily earnings during the four weeks or the month immediately preceding the date on which one fell ill. As from the 21st day of sickness, the level of the daily allowance is increased to two thirds of one’s average overall daily earnings. In case of hospitalization and if there are no dependents, the amount of the allowance is reduced to two fifths of the normal amount during the time one spends in the hospital. In case of unemployment and one falls ill within 60 days of becoming unemployed, the allowance one receives is reduced to two thirds of the normal amount.

Maternity benefits
Maternity benefits comprise medical treatment and cash benefits. As far as medical treatment is concerned, the general rules discussed above are applicable. General obstetric treatment is provided directly and free of charge at out-patient departments of the local health units. It can also be provided at the woman's home, by midwives who have concluded an agreement with the health service.

Cash benefits for maternity are provided to women legally employed in the private sector. Unemployed women are also entitled to these benefits, but only within the limits of the period during which they receive unemployment benefits.

How to Obtain Cash Benefits for Maternity?
In order to obtain cash benefits for maternity, one must hand in or send (via one’s employer) to the competent INPS office the relevant application accompanied by a medical certificate confirming pregnancy and by a statement from one’s employer certifying that one has ceased work because of</td><td></td></tr>
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MEDICAL BENEFITS	
Social Security Benefits	**Customary Private Employee Benefits**
pregnancy. As soon as the birth has taken place, the child's birth certificate and a certificate relating to the composition of the family (stato di famiglia) should be forwarded to the same INPS office. Amount and Duration of Benefits The INPS grants a daily allowance via an employer during statutory maternity leave (two months before the expected date of confinement and three months after confinement). It amounts to 80% of the average overall daily earnings during the four weeks or the month immediately preceding the maternity leave. The allowance is advanced by the employer, who then offsets it against the amounts due in contributions to the insurance institution. One may also cease work for an additional period of not more than six months during the year after the child is born. During this period, one is entitled to a daily allowance amounting to 30% of the previous earnings. **Tuberculosis Insurance** A special scheme covers people affected by tuberculosis. These people are insured as under the sickness and maternity insurance scheme. The special scheme comprises medical treatment and cash benefits. As far as medical treatment is concerned, the general rules discussed above apply. Cash benefits are provided by the INPS and include a daily allowance payable to insured persons and members of their families throughout the course of treatment, as well as two-year post-sanatorium allowance and a maintenance and treatment allowance. In addition to these benefits, family benefits are paid for dependents. For entitlement to cash benefits, one must have paid contributions for at least one year. One should apply for cash benefits to the INPS office in the place of treatment. The application must be accompanied by a medical certificate, a statement showing the composition of your family, and any insurance documents in your possession. Supplemental Benefits for Dirigenti Commerciali Dirigenti of the Commercial Sector enjoy some benefits in addition to those provided by the basic scheme SSN (National Health Service), provided by the following fund: Fondo di Assistenza Sanitaria per i Dirigenti di Aziende (FASDAC) commerciali e di spedizione e trasporto "Mario Besusso", a supplementary medical coverage. Eligibility All managers (already covered under the INPS and SSN), of companies classified as commercial. The ages and contribution requirements are the same as for the INPS. Benefits The "Mario Besusso" Fund provides benefits integrating the SSN. It is a scheme similar to the FASI Supplemental Health Insurance that operates for the Industrial Dirigenti.	

RETIREMENT BENEFITS

Social Security Benefits

National Social Insurance Institute (INPS)

Eligibility

All gainfully employed persons, except those covered by special schemes (i.e., liberal professions).

Benefits

For all workers enrolled in INPS after January 1, 1996 and for all workers that want to move in this system, an account is established into which contributions are paid.

The contribution rate is:

- 33% of gross salary for employees
- 20% of gross earnings for the self-employed
- Specific percentage of income (defined year by year), earned by a particular type of self-employed person, defined by Italian Law, who works on a continuing basis for an employer.

The accumulated capital will yield an interest related to economic growth (the index is the average GDP growth rate over a five-year period).

The sum of capital and the interest will be defined as the total individual contribution amount that is used to determine the state pension by multiplying the total amount by a number called the Conversion Factor.

This factor increases with an increasing retirement age of the worker, reaching its maximum value at the age of 65:

Conversion Factor applied as of 01/01/2010

Age	*Conversion factor*	*Divider*
57	4.419%	22.627
58	4.538%	22.035
59	4.664%	21.441
60	4.798%	20.843
61	4.940%	20.241
62	5.093%	19.635
63	5.257%	19.024
64	5.432%	18.409
65	5.620%	17.792

Discount rate 1.5%

Conversion Factor applied as of 01/01/2012

Age	*Conversion.factor*	*Divider*
57	4.304%	23.236
58	4.416%	22.647
59	4.535%	22.053
60	4.661%	21.457
61	4.796%	20.852
62	4.940%	20.242
63	5.094%	19.629
64	5.259%	19.014
65	5.435%	18.398
66	5.624%	17.782
67	5.826%	17.163
68	6.046%	16.541
69	6.283%	15.917
70	6.541%	15.288

Discount rate 1.5%

Customary Private Employee Benefits

Pension Funds

In Italy there are four types of pension funds:

- Closed or contractual pension funds which are implemented either as company pension funds by a single company or as industry-wide pension funds set up by the employers' association and the trade unions for a specific group of participants;
- Open pension funds that are offered by banks, insurance companies or investment management companies for a generic group of participants, i.e. the self-employed.
- PIP (Piano Integrativo di Previdenza)
- FPPRE (pre-existing fund)

By law, all pension funds have to sign an agreement with:

- an external investment manager that can only be an insurance company, a bank or a registered asset management company ('Società Gestione Risparmio' or SGR)
- a bank to set up a specific bank account as cash flow deposit
- an administrative services provider.

Today, all pension funds now operate on a defined contribution basis, as this is the only permitted type of pension plan. Defined benefit plans are restricted to the pre-existing funds.

There are no minimum funding requirements.

Investments

Closed pension funds, created after 1995, predominantly offer one single investment strategy for all their members, ignoring factors such as age or risk profiles. Therefore, asset allocation has traditionally been based on balanced portfolios with a heavy weight in bonds and cash.

Recently, multiple investment strategies have become more widespread. This trend towards multiple investment strategies strongly favors the outsourcing of asset management activities in occupational pension funds to external managers.

Although balanced and bond mandates still constitute a healthy portion of the overall investment, there are emerging signs that investors are demanding a more active approach to strategic asset allocation and are seeking higher risk/return strategies to achieve yield enhancement.

<table>
<tr><th colspan="2">RETIREMENT BENEFITS</th></tr>
<tr><th>Social Security Benefits</th><th>Customary Private Employee Benefits</th></tr>
<tr><td>The defined benefit system is still operating but only for all workers that have at least 18 years of contributions on January 1, 1996. According to that system (defined benefit); the state pension is calculated as an average of the salary received during the latest years of working activities.

Starting from January 1, 2012, the contribution paid for all workers that have at least 18 years of contributions on January 1, 1996, will be considered into the defined benefit system (the contribution system is finally closed). Therefore, they will receive a pension calculated with the mixed system.

For workers having less than 18 years of contributions on January 1, 1996, the state pension is calculated as the mixed system: the old system for service before January 1996, and the contributory system for future service after January 1996.

Taxation of Pensions
Same tax treatment as personal income.

Social Allowance
<u>Eligibility</u>
All Italian citizens living in Italy are entitled to the allowance from age 65, provided they are not subject to normal income taxes or entitled to any benefit under the social insurance.

<u>Benefits</u>
The maximum amount is € 8,359 for 2018; this amount can be reduced if the recipient has other income if single, or if the recipient is a dependent spouse.

Supplementary Pensions
The most innovative part of the 2004 pension reform refers to supplementary pensions. The new law increases the number of institutions able to establish supplementary pension funds. Regional authorities, for example, will be able to establish funds for the workers residing in a particular region. In order to strengthen the supplementary pension system, employees' accumulated end-of-service allowances (TFR) will be paid into a supplementary pension fund, on the principle of silent approval.

Employees have six months to decide whether to pay their TFR into the "closed funds" run by trade unions and companies or the "open funds" run by banks, insurance companies, or other private organizations. If the employee does not specify a fund, the TFR will be paid, presumably into a regional fund. Only in case of an explicit request will the TFR be left in the company's fund and serve its original purposes.</td><td>Pre-existing Funds
Before 1993, there was no coordinated legislation governing pension provision and the only private pensions available were the pre-existing funds, which had no clear legal structure or processes. As a consequence, employers who established pension plans were able to structure the benefits they offered and the means of funding them almost as they wished.

Pension funds established before November 15, 1992 (pre-existing funds) may preserve their old tax treatment, provided that they were closed to new entrants by April 28, 1993.</td></tr>
</table>

RETIREMENT BENEFITS	
Social Security Benefits	**Customary Private Employee Benefits**
Supplemental Benefits for Dirigenti Commerciali Dirigenti of the Commercial Sector enjoy some benefits in addition to those provided by the basic schemes INPS and SSN (National Health Service), provided by the following fund: Fondo di Previdenza per i Dirigenti di Aziende (FPDAC) Commerciali e di spedizione e trasporto "Mario Negri", a supplemental defined benefit pension plan. Eligibility All managers (already covered under the INPS and SSN), of companies classified as commercial. The ages and contribution requirements are the same as for the INPS. Benefits The "Mario Negri" Fund provides coverage by integrating the Old-age, Disability and Survivors' benefits offered through INPS. In addition, the "Mario Negri" Fund provides for the “Convenzione Pastore 3140” that offers four coverage options: • Deferred lump-sum; • Death coverage; • Permanent disability from sickness; • Exemption from payment of premium. Convenzione Pastore 3140 is a package of insurance coverage managed by a pool of companies (BPB insurance, Zurigo Group, Generali, Ina Assitalia).	

Retirement Benefits – Additional Information

Retirement Age:	Old age retirement:	fixed at 67 years old with 20 years of minimum contribution
	Early retirement:	
	- Quota 102:	with 41 years and 10 months for women with 42 years and 10 months for women
	- Option for women:	fixed at 58 years old with 35 years of minimum contribution
	- APE:	fixed at 63 years old with 30 or 36 years of minimum contribution

Tax Treatment of Pensions:	
Contributions:	Contributions paid by the employer are a deductible from income of the firm. Contributions paid by the employee are a deductible from personal income with a maximum of total contribution (employee + employer) of € 5,165.
Accumulation:	Taxes rate of 20% on the annual net performance of the Pension Fund.
Benefit:	Maximum 50% as lump-sum.; to encourage employees to transfer their future TFR allocations to pension funds, benefits paid by the pension fund will be taxed at a flat rate of 15% both on lump sum and on life annuity. After 15 years of pension fund membership, this rate will be reduced by 0.3% for every additional year of membership, with a minimum tax rate of 9% after 35 years of membership. Previously the benefit attributable to contributions was taxed applying the average income tax rate (23% to 43%) of the five years preceding payment of the benefit. The annuity is taxed 12.5% on the annual net annuity increase.

<table>
<tr><th colspan="2">LEGAL TERMINATION INDEMNITIES (TFR)</th></tr>
<tr><th>Social Security Benefits</th><th>Customary Private Employee Benefits</th></tr>
<tr><td>TFR is an accrued severance payment that employers are required to give employees upon termination for any reason.

It provides:
The method of computing the amount due in consideration of each year of service. The employee receives an amount equal to 1/13.5 of the annual gross salary for each year of service.
The method of revaluing the amount accrued at the end of each year of service. The adjustment of the liability will take place on December 31 of each year. The employer will multiply the liability accrued on December 31 of the previous year by a factor equal to 75% of the cost of living index increase plus 1.5%.
As an example, let us assume that, as of January 1, 2010, an employee has an annual salary equal to € 18,076. On December 31, 2009, the accumulated indemnity for the employee would equal € 18,076/13.5 = € 1,339.

In addition, there is the possibility for the employee to obtain, provided certain conditions are met, the anticipated payment of part of his or her accumulated fund. Employees with 8 or more years of employment may request a one-time advance of this benefit to use toward the purchase of a new house or to meet the cost of certain medical expenses or a renovation of a first house.

The Reform Law on the Pension Fund changes the structure of TFR:
For workers employed on April 28, 1993, a percentage of TFR annual contribution, depending on the labor agreement, will finance the Pension Fund, if any.
Newly hired workers (after April 28, 1993), from the date they are enrolled in the Pension Fund, will contribute all the TFR into the Pension Fund.</td><td>The 2006 legislation now formally requires the transfer of the TFR from companies’ book reserves to a pension fund, unless the employee explicitly forbids it. The rules were implemented with effect from January 1, 2007. Workers had to decide within a period of 6 months after the day of recruitment, whether they want to keep their TFR in the company or to transfer it into a supplementary pension fund (free of choice).

In the absence of any decision by the employee, the TFR will be transferred into the supplementary pension fund set up by the company if any, or in absence thereof, set up by a collective agreement or at least to the national pension fund set up by INPS.
In case the employee decides to keep their TFR (therefore not transferring it to a supplementary pension fund), the company - if they have less than 50 employees - is exempt from the compulsory TFR rule and can continue to manage the TFR as before. If they have more than 50 employees, the company has to set up a specific bank account.

Companies that have been using the TFRs as internal financing vehicles since the 1930s were previously reluctant to give up this long-established financing vehicle, which was the main obstacle to successful market growth in Italy. The new law implies that companies will have to invest the TFR of their employees into a pension fund that is legally separate from the company and that they must appoint an external asset manager. This provides a better protection for the employees, at the same time potentially enhancing returns on assets.

Termination of Employment Allowance
This type of insurance is a financial vehicle for the payment of Legal Termination Indemnities.</td></tr>
</table>

Other Social Security Benefits: National Institute for Industrial Accidents Insurance (INAIL)

Worker's Compensation

Eligibility:	All employed persons in the Industrial, Commercial, Agricultural and Artisan sectors, as well as employees of public boards and other persons subject to the risks of accidents or occupational diseases.
Coverages:	• All industrial accidents occurring at work, resulting in death or permanent, total or partial disability causing absence from work for a temporary period (not less than three days). • Occupational diseases outlined in the table annexed to the DPR No. 1124 6/30/1965.
Benefits:	• A daily indemnity for the period in which the worker is temporarily unable to work. The indemnity is equal to 60% of salary for the first 90 days and 75% of salary thereafter. • In case of loss of earning capacity below 16%, a lump-sum is paid out. In case of loss of earning capacity above 16%, the benefit is paid as a life annuity. The lump-sum and annuity are calculated based on a "loss to the person's health table" • A special allowance for injured or sick persons needing continual assistance. • A survivors' monthly indemnity and a lump-sum in case of death. • Medical and surgical assistance including laboratory examinations. • Supply of prosthetic appliances. • A small funeral allowance.
Contributions:	Compulsory contributions are paid exclusively by the employer. There are ten classes of contributions, corresponding to the different sectors of employment subdivided into various sub-sectors.

Other Benefits: National Social Insurance Institute (INPS)

Family Allowance:	The family allowance is paid to insured persons for dependent parents, spouse, and children. It is also paid to unemployed persons receiving the unemployment subsidy. The right to the family allowance and the amount of allowance paid are related to the total annual income of the family and to the number of family members.
Tuberculosis Insurance:	Tuberculosis insurance provides for medical treatment (hospitalization and surgical attention) for the insured and his/her dependents, as well as other forms of assistance (e.g., arrangements for a sick person's children to be sent to health camps, to the seaside, or to the mountains, training courses for vocational rehabilitation, etc.).
Unemployment Subsidy:	Regularly insured persons involuntarily unemployed, having at least two years' insurance and one year of contributions (52 weeks) paid during the two years prior to the date of the claim, are entitled to a daily allowance. Depending upon the category of employment, the benefit is usually 30% of the last monthly salary, subject to a maximum of 180 days.
Extraordinary Subsidy:	An extraordinary unemployment subsidy is paid to persons not entitled to the daily allowance, but who are still entitled to a subsidy due to special circumstances.

Retirement Benefit Plans:	Regulated by the new law on pension funds. Old rules and practices are no longer applicable.
Group Life Plans:	These plans are provided to full-time employees, according to the regulations generally established in collective agreements between the company and the union. In some sectors, such as industrial sectors, rules are fixed by the National Labor Agreement. Voluntary increases in the benefits established by Company Plan could be available on an optional basis (one-half, one, two, or three times' annual salary).
Accidental Death:	These plans are provided to full-time employees, according to the regulations generally established in collective agreements between the company and the union. In some sectors, such as industrial sectors, rules are fixed by the National Labor Agreement. Voluntary increases in benefits established by company plans could be available on an optional basis.
Group Health Insurance:	Health Insurance reimburses the expenses incurred in case of sickness or personal accident.

Typical Plan Amounts:

Retirement Benefits: See *Retirement Benefits* above

Life Insurance:

- Fixed amount (based on ranks):
- Based on salary (multiple based on ranks): See *Group Life Plans* above.

Total and Partial Disability: Equal to the amount of life insurance.

Accidental Death: € 25,822.84 – € 774,685.35

Medical: UniSalute S.p.A.
Customised and flexible healthcare plans, designed to meet the most specific needs of the world of work.
This is what UniSalute has been doing for companies of every size and sector, professional health funds, banks and other organisations for over 20 years.
Following an integrated and highly professional approach, we assess the characteristics of each sector together with our customers to come up with the very best supplementary healthcare solutions:

- hospitalization – both with or without surgery;
- medical examinations and checks/blood tests;
- physiotherapic treatments;
- annual preventive healthcare;
- dental care;
- glasses;
- home nursing and long-term care;
- specific services for maternity and wellbeing;
- services for the prevention of childhood obesity and weight problems;
- telemonitoring of common chronic diseases;
- 24-hour assistance, 365 days a year.

Useful Links

Demographic information:	CIA World Factbook (please select the country to review)
Macro-Economic indicators:	CIA World Factbook (please select the country to review)

More information on the IGP Network Partner: UNIPOLSAI ASSICURAZIONI SPA:	IGP – Your Local Link in Italy www.unipolsai.com *(Some information is available in English.)*

Appendix: Minor Social Insurance Organizations

Providing coverage for invalidity, old-age, and survivors' insurance:

- National Social Insurance Boards for Assistance to Doctors, Veterinarians, and Pharmacists.
- National Social Insurance for Assistance to Lawyers and Attorneys.
- National Notary Fund.
- National Social Insurance Fund Assistance to Draftsmen, Engineers and Architects, Accountants and Economic and Commercial Consultants, and Graduates in Commercial Law.
- Social Insurance Fund for Employees of Local Authorities.
- National Social Insurance Board for Sales Agents and Traveling Salesmen.
- Firm Funds for staff of companies maintaining their own approved pension funds.
- National Insurance Institute for Italian journalists.

Providing coverage for industrial accident insurance:

- National Social Insurance Board for Assistance to agricultural employees.
- Maritime Funds for seamen and airmen.

There is a legal provision that mandates that the minor Social Insurance Organizations conform to the INPS legislation.