



**COVIP**

COMMISSIONE DI VIGILANZA  
SUI FONDI PENSIONE

**MAIN DATA ON  
SUPPLEMENTARY PENSION FUNDS IN ITALY**

**(UPDATE: END OF 2017)**

---

## SYMBOLS AND CONVENTIONS

---

In the following tables:

- the phenomenon does not occur
  - .... the phenomenon occurs but the value is not known
  - .. the value is known but is nil or less than half the final digit shown
- 

Further data and information could be found in the 2017 COVIP Annual Report (“*Relazione Annuale 2017*”), available on COVIP website (<https://www.covip.it/wp-content/uploads/Relazione-Annuale-2017.pdf>).

Data are also available on .xls format on COVIP website (<https://www.covip.it/?cat=35>)

At the end of 2017, Italian pension funds counted 7.6 million members, with an increase of 6.1 per cent with respect to the previous year. The participation rate was 28.9 per cent of the labour force.

Total assets under management reached 162.3 billion of euro (7.3 per cent higher than 2016), representing 9.5 per cent of GDP and 3.7 per cent of financial assets of households.

#### Number of pension funds

At the end of 2017, pension funds were 415 in total: 35 contractual pension funds, 43 open pension funds, 77 “new” PIPs, 259 pre-existing pension funds (of which 174 autonomous pension funds); the total includes FONDINPS (see *Glossary*).

The number of pension funds decreased continuously in recent years - i.e. by 37 in 2017 and by 304 since 2000 - due to a consolidation process that is still ongoing. The process has mainly involved pre-existing pension funds.

Despite this process, the number of small-sized funds is still quite high. At the end of 2017, 165 pension funds (mostly pre-existing pension funds) managed assets for less than 25 million euro, while only 38 pension funds had assets amounting to more than 1 billion euro.

#### Membership

At the end of 2017, Italian pension funds totaled 7.6 million members (and 8,299 million individual accounts due to multiple adhesions): 2.8 million in contractual pension funds, 1.3 million in open pension funds, more than 2.9 million in “new” PIPs, 610,000 in pre-existing pension funds and approximately 390,000 in “old” PIPs.

The participation rate was 28.9 per cent of the labour force, 22.1 per cent when considering only members who actively contributed during the year to their individual account.

Out of the total of members, 5.4 million were employees, 1.1 million were self-employed workers and 1.1 million were “other” members (see *Glossary*).

In 2017, the number of members increased by 6.1 per cent compared to the previous year. The rise was 7.8 per cent for contractual pension funds, 9.2 per cent for open pension funds and 7.6 per cent for “new” PIPs. Pre-existing pension funds decreased by 1.5 per cent. In particular, contractual pension funds continued to benefit from the introduction of the mandatory enrolment of workers as part of collective agreements in place in a number of industries between employers’ associations and trade unions.

#### Total assets and contributions

In 2017, pension funds’ assets amounted to €162.3 billion, with an increase of 7.3 per cent.

Assets rose by: 7.7 per cent (€49.5 billion) for contractual pension funds, 12.0 per cent (€19.1 billion) for open pension funds, 16.6 per cent (€27.6 billion) for “new” PIPs, and 2.5 per cent (€59 billion) for pre-existing pension funds. Assets held by “old” PIPs reached €7 billion.

Gross contributions amounted to €14.9 billion, 58 per cent of which referred to occupational pension funds. The flow of the TFR (see *Glossary*) paid into pension funds amounted to €5.8 billion (equal to 40 per cent of total contributions).

Gross outflows were €7.6 billion: pension benefits amounted to €3.5 billion, out of which lump-sums were €2.6 billion and annuities €910 million; early withdrawals summed up to €4.1 billion.

### Returns and costs

In 2017 returns of pension funds, net of costs and taxes, were on average 2.6 per cent for contractual pension funds and 3.3 per cent for open pension funds. Within “new” PIPs, the returns of unit-linked products reached 2.2 per cent while those of with-profit products were 1.9 per cent. The TFR revaluation, net of tax, was 1.7 per cent.

Equity sub-funds delivered higher returns compared to other investment options: 5.9 per cent for contractual pension funds, 7.2 per cent for open pension funds and 3.2 per cent for unit-linked “new” PIPs.

In a longer period of time (2008-2017) the annual rate of returns, net of costs and taxes, was 3.3 per cent for contractual pension funds, 3.0 per cent for open pension funds. Within “new” PIPs, unit-linked products delivered a return of 2.2 per cent while with-profit products achieved a return of 2.8 per cent. The TFR revaluation, net of tax, was 2.1 per cent.

The heterogeneity of costs across different kinds of pension funds is a major factor in producing the wide dispersion of rate of returns among pension funds.

For a representative member, with a holding period of 10 years, the average Synthetic Cost Indicator (SCI - calculated according to a common methodology set by COVIP- see *Glossary*) is 0.4 per cent for contractual pension funds, 1.3 per cent for open pension funds and 2.2 per cent for “new” PIPs. It is worth noting that PIPs, despite their higher costs, continue to account for a large share of new adhesions, thanks to their extensive sales network and remuneration mechanisms.

### Asset allocation

At the end of 2017, pension fund assets were mainly invested in debt securities (58.1 per cent), mostly government bonds; about 17.7 per cent of assets were invested in equities and 14.4 per cent in mutual funds. Domestic investments accounted for 25.9 per cent of total assets (€33.2 billion), most of which were government bonds. Investments in securities issued by Italian companies were limited: €4.1 billion (3 per cent of total assets) of which €2.7 billion were bonds and the remaining were equities.

## Tables

**Table 1**

<b>Private Pension System - Main statistics</b> (end-2017 data; assets and contributions in millions of euros)									
	Number of pension funds	Individual accounts		Members		Assets		Contributions	
		Number	% changes	Number	% changes	Amounts	% changes	Amounts	% changes
Contractual Pension Funds	35	2,804,633	8.0	2,761,623	7.8	49,456	7.7	4,787	3.5
Open Pension Funds	43	1,374,205	9.2	1,343,159	9.2	19,145	12.0	1,912	9.1
Pre-existing Pension Funds	259	643,341	-1.5	610,490	-1.5	58,996	2.5	3,779	0.7
“New” PIPs	77	3,104,209	7.7	2,969,187	7.6	27,644	16.6	4,058	8.6
<b>Total</b>	<b>415</b>	<b>7,961,829</b>	<b>7.2</b>	<b>7,248,829</b>	<b>6.8</b>	<b>155,321</b>	<b>7.6</b>	<b>14,544</b>	<b>4.9</b>
“Old” PIPs		390,311		390,311		6,978		329	
<b>Total</b>		<b>8,298,969</b>	<b>6.6</b>	<b>7,585,969</b>	<b>6.1</b>	<b>162,299</b>	<b>7.3</b>	<b>14,873</b>	<b>4.5</b>

FONDINPS is included.  
Data may include double counting referred to members adhering to more than one pension fund.

**Table 2**

<b>Private Pension System - Distribution of pension funds by assets</b> (end-2017 data; assets in millions of euros)										
Size classes (assets)	Contractual Pension Funds		Open Pension Funds		“New” PIPs		Pre-existing Pension Funds		Total	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
> 5,000	2	16,935	-	-	1	5,826	2	15,790	5	38,551
2,501 to 5,000	2	6,200	1	3,596	3	9,267	1	3,520	7	22,582
1,001 to 2,500	10	15,775	4	5,474	2	3,984	10	16,315	26	41,548
501 to 1,000	10	8,088	10	7,200	2	1,785	10	7,843	32	24,917
101 to 500	9	2,293	10	2,160	23	5,280	49	11,745	91	21,479
25 to 100	3	165	11	635	19	1,172	56	2,976	89	5,028
1 to 24	-	-	7	80	25	328	76	794	108	1,203
< 1	-	-	-	-	2	1	55	12	57	13
<b>Total</b>	<b>35</b>	<b>49,456</b>	<b>43</b>	<b>19,145</b>	<b>77</b>	<b>27,644</b>	<b>259</b>	<b>58,996</b>	<b>415</b>	<b>155,321</b>

FONDINPS is included.

**Table 3**

**Private Pension System - Participation rate**  
(end-2017 data)

	<b>Private pension system</b>	<b>Participation rate (%)</b>
Actual members	7,585,969	28.9
Actively contributing members	5,772,172	22.1
<i>Memory item:</i>		
Labour force	25,930,000	

The total does not include multiple adhesions and refers to all pension funds (including "old" PIPs).  
The participation rate is calculated excluding members aged less than 15 years (approx. 120,000 individuals).

**Table 4**

**Private Pension System - Members by professional category**  
(end-2017 data)

<b>Type of pension funds</b>	<b>Employees</b>		<b>Self-employed workers</b>		<b>Other</b>	
	Number of individual accounts	Members	Number of individual accounts	Members	Number of individual accounts	Members
Contractual Pension Funds	2,611,289	2,572,681	5,089	5,075	188,255	183,867
Open Pension Funds	737,190	721,262	383,847	373,321	253,168	248,576
Pre-existing Pension Funds	564,492	536,030	15,292	14,374	63,557	60,086
"New" PIPs	1,923,414	1,841,154	635,384	597,688	545,411	530,345
<b>Total</b>	<b>5,863,584</b>	<b>5,316,520</b>	<b>1,039,612</b>	<b>952,937</b>	<b>1,051,084</b>	<b>979,372</b>
"Old" PIP	137,037	137,037	134,197	134,197	119,077	119,077
<b>Total</b>	<b>5,980,892</b>	<b>5,426,279</b>	<b>1,160,089</b>	<b>1,073,414</b>	<b>1,157,987</b>	<b>1,086,275</b>

FONDINPS is included. The total of "Members" is net of multiple adhesions.

Table 5

<b>Private Pension System – Members by type of pension fund and age group</b> (end-2017; percentage composition; average age in years)					
<b>Age groups</b>	<b>Contractual Pension Funds</b>	<b>Open Pension Funds</b>	<b>Pre-existing Pension Funds</b>	<b>“New” PIPs</b>	<b>Total</b>
< 25	2.2	8.8	1.2	4.9	4.3
25 - 34	12.6	12.9	6.2	15.6	13.1
35 - 44	26.6	23.5	21.5	24.5	24.7
45 - 54	35.1	30.6	35.6	28.6	31.7
55 - 64	22.1	20.5	30.0	22.0	22.5
> 65	1.4	3.6	5.6	4.3	3.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Memory item:</i>					
Average age	46.0	44.3	49.5	45.2	45.9

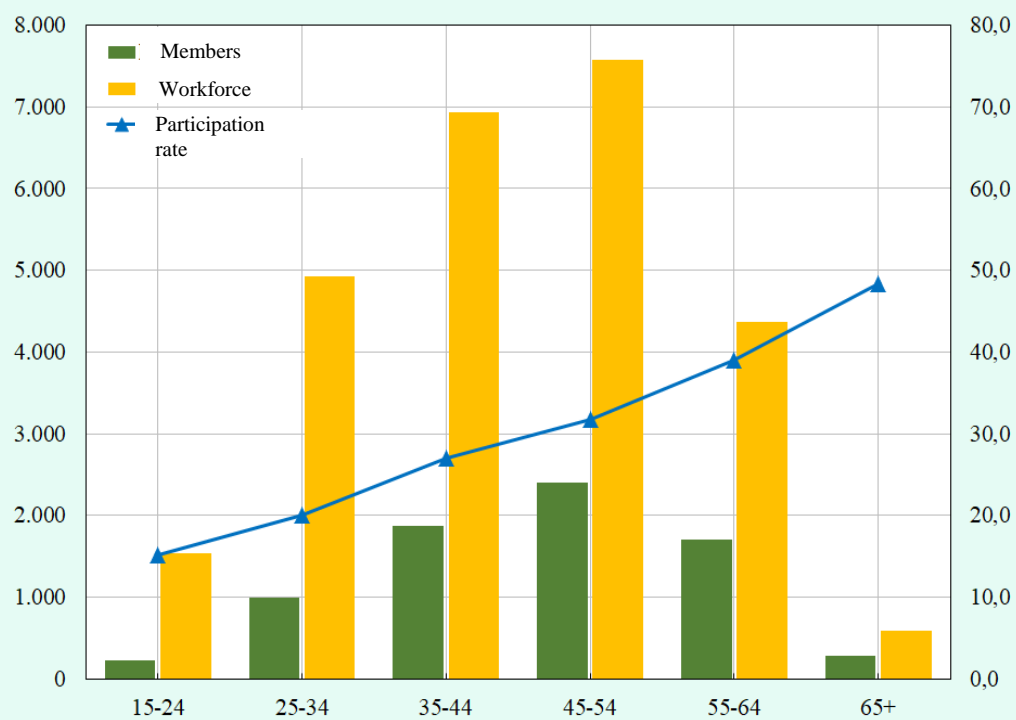
Table 6

<b>Private Pension System - Members by professional category, age and gender</b> (end-2017 data; percentage composition; average age in years)									
<b>Age groups</b>	<b>Self-employed workers</b>			<b>Employees</b>					<b>Total</b>
	Male	Female	Total	Male	Female	Total	Male	Female	
< 25	1.0	1.6	1.2	2.5	1.5	2.1	4.1	4.7	4.3
25 to 34	6.5	8.4	7.1	14.4	13.3	14.0	13.1	13.0	13.1
35 to 44	21.2	24.2	22.2	26.1	28.2	26.9	24.1	25.7	24.7
45 to 54	34.8	34.7	34.8	32.6	34.3	33.2	31.4	32.2	31.7
55 to 64	28.1	25.9	27.4	22.0	21.2	21.7	23.0	21.7	22.5
> 65	8.4	5.2	7.4	2.4	1.6	2.1	4.4	2.8	3.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Memory item:</i>									
Gender composition	68.6	31.4	100.0	63.5	36.5	100.0	62.3	37.7	100.0
Average age	50.0	48.3	49.5	45.8	45.8	45.8	46.2	45.3	45.9

**Table 7**

**Private Pension System - Members, workforce and participation rate by age group**

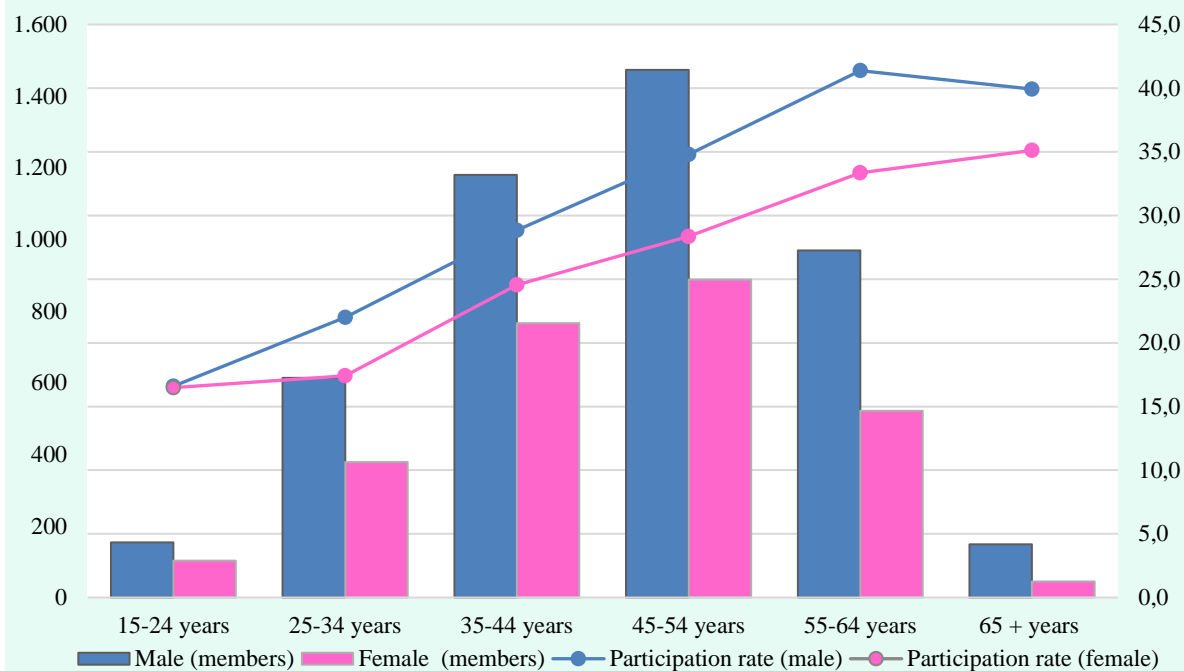
(end-2017 data; members as percentage of the labour force on the right-hand scale of the y-axis; members and labour force in thousands of units on the left-hand scale of the y-axis)





**Table 8**

**Private Pension System - Members, workforce and participation rate by age group and gender**  
*(end-2017 data; members as percentage of the labour force on the right-hand scale of the y-axis; members in thousands of units on the left-hand scale of the y-axis)*



**Private Pension System - Participation rate by region**  
*(end-2017 data; members as a percentage of the labour force)*

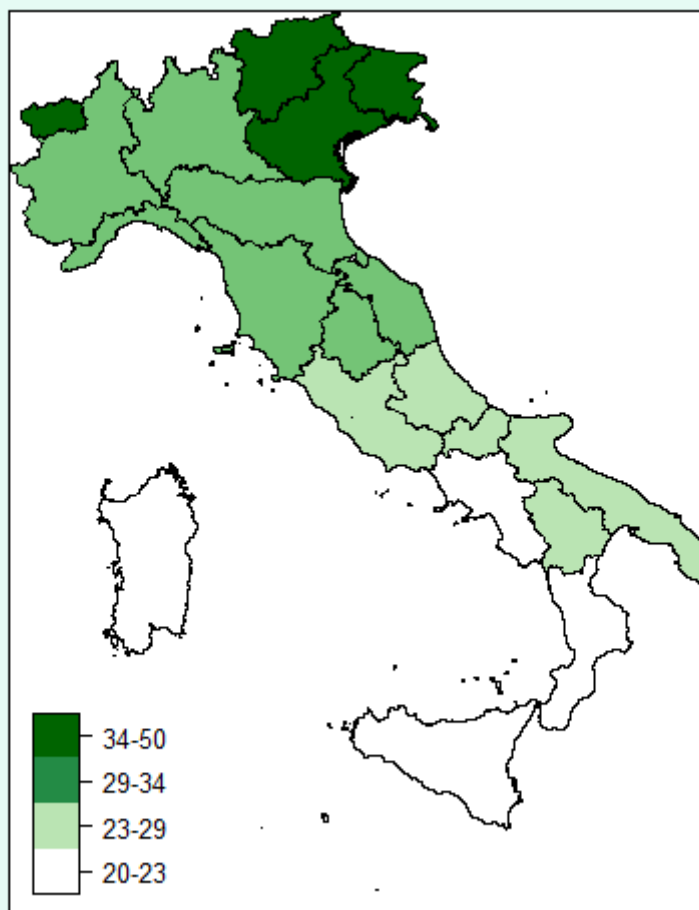


Table 10

<b>Private Pension System – Members by type of pension fund and region</b> <i>(end-2017 data; percentage composition)</i>					
	<b>Contractual Pension Funds</b>	<b>Open Pension Funds</b>	<b>Pre-existing Pension Funds</b>	<b>“New” PIPs</b>	<b>Total</b>
Piemonte	8.0	9.4	8.5	8.7	8.5
Valle d’Aosta	0.5	0.3	0.4	0.2	0.3
Lombardia	20.5	20.9	30.5	18.1	20.3
Liguria	2.4	3.2	2.2	2.9	2.7
<b>North-West Italy</b>	<b>31.3</b>	<b>33.9</b>	<b>41.6</b>	<b>29.9</b>	<b>31.8</b>
Veneto	10.3	10.4	8.3	11.2	10.5
Trentino-Alto Adige	5.2	5.6	1.7	1.5	3.4
Friuli-Venezia Giulia	2.0	3.3	2.5	2.7	2.6
Emilia-Romagna	8.2	9.3	9.2	8.6	8.6
<b>North-East Italy</b>	<b>25.7</b>	<b>28.6</b>	<b>21.9</b>	<b>24.0</b>	<b>25.0</b>
Toscana	6.4	8.9	5.8	7.6	7.2
Umbria	1.4	1.5	1.0	1.9	1.6
Marche	2.0	2.8	2.0	3.5	2.8
Lazio	8.7	6.3	12.2	7.9	8.3
<b>Central Italy</b>	<b>18.6</b>	<b>19.5</b>	<b>21.1</b>	<b>20.9</b>	<b>19.9</b>
Abruzzo	2.3	1.3	1.3	2.3	2.1
Molise	0.5	0.3	0.2	0.6	0.5
Campania	6.7	4.8	4.1	6.0	6.0
Puglia	4.5	3.9	2.9	5.4	4.7
Basilicata	0.9	0.6	0.3	0.9	0.8
Calabria	2.0	1.9	1.1	2.3	2.1
Sicilia	5.3	4.0	3.8	5.8	5.3
Sardegna	2.1	1.2	1.3	2.0	1.9
<b>Southern Italy and Islands</b>	<b>24.4</b>	<b>18.0</b>	<b>15.0</b>	<b>25.2</b>	<b>23.2</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Table 11

**Private Pension System - Members by professional category, region and gender**  
(end-2017 data; percentage composition)

Regions	Self-employed workers			Employees			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Piemonte	7.7	8.6	8.0	8.1	9.5	8.6	8.1	9.2	8.5
Valle d'Aosta	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.3
Lombardia	17.8	18.0	17.8	20.6	22.0	21.2	20.0	20.6	20.3
Liguria	3.3	4.1	3.6	2.6	2.6	2.6	2.7	2.8	2.7
<b>North-West Italy</b>	<b>29.1</b>	<b>31.0</b>	<b>29.7</b>	<b>31.6</b>	<b>34.5</b>	<b>32.7</b>	<b>31.1</b>	<b>33.0</b>	<b>31.8</b>
Veneto	9.8	8.9	9.5	10.2	11.3	10.6	10.3	10.8	10.5
Trentino-Alto Adige	2.3	2.1	2.2	3.0	4.1	3.4	3.0	3.9	3.4
Friuli-Venezia Giulia	2.2	2.3	2.2	2.4	2.8	2.5	2.4	2.8	2.6
Emilia-Romagna	9.4	9.7	9.5	7.9	9.7	8.6	8.2	9.2	8.6
<b>North-East Italy</b>	<b>23.6</b>	<b>23.1</b>	<b>23.5</b>	<b>23.5</b>	<b>27.8</b>	<b>25.1</b>	<b>23.9</b>	<b>26.7</b>	<b>25.0</b>
Toscana	9.4	9.7	9.5	6.4	7.3	6.7	7.0	7.6	7.2
Umbria	1.9	2.1	2.0	1.5	1.5	1.5	1.6	1.6	1.6
Marche	3.5	3.3	3.5	2.5	2.8	2.6	2.7	2.9	2.8
Lazio	7.1	8.1	7.4	8.7	8.6	8.6	8.3	8.4	8.3
<b>Central Italy</b>	<b>21.9</b>	<b>23.2</b>	<b>22.3</b>	<b>19.1</b>	<b>20.1</b>	<b>19.5</b>	<b>19.6</b>	<b>20.5</b>	<b>19.9</b>
Abruzzo	2.0	2.2	2.0	2.2	1.8	2.1	2.1	1.9	2.1
Molise	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.4	0.5
Campania	6.9	5.6	6.5	6.9	4.1	5.9	6.7	4.7	6.0
Puglia	5.4	4.5	5.2	5.1	3.3	4.5	5.1	4.0	4.7
Basilicata	0.9	0.9	0.9	0.9	0.6	0.8	0.9	0.7	0.8
Calabria	2.5	2.3	2.4	2.1	1.5	1.9	2.2	1.8	2.1
Sicilia	5.3	4.6	5.1	6.0	4.1	5.3	5.8	4.4	5.3
Sardegna	1.8	2.1	1.9	2.0	1.6	1.9	1.9	1.8	1.9
<b>Southern Italy and Islands</b>	<b>25.3</b>	<b>22.6</b>	<b>24.5</b>	<b>25.6</b>	<b>17.4</b>	<b>22.6</b>	<b>25.3</b>	<b>19.8</b>	<b>23.2</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

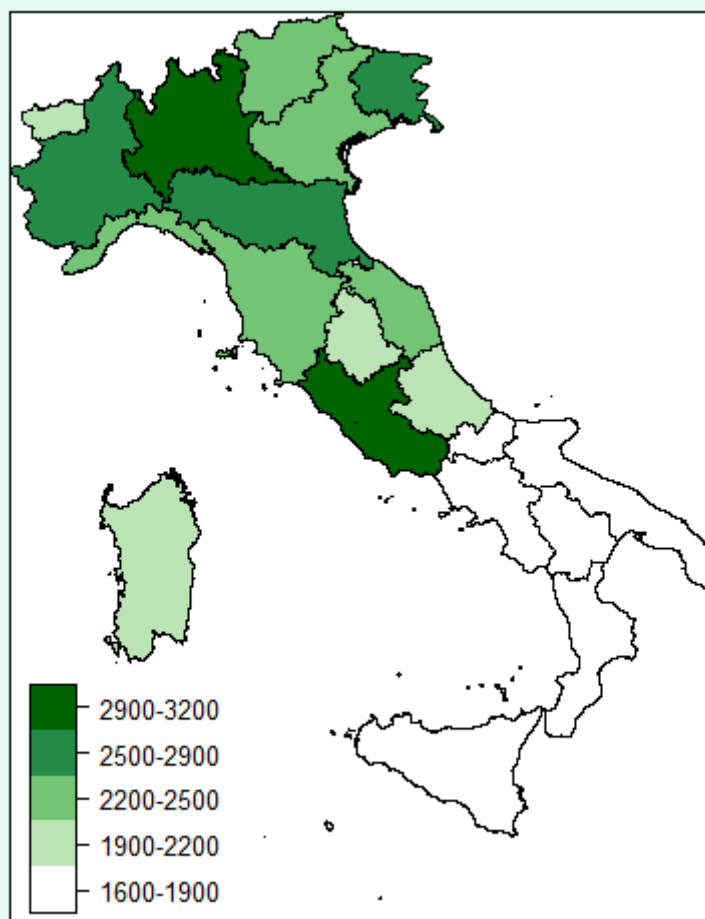
Table 12

<b>Private Pension System - Contributions</b>					
<i>(end-2017 data; millions of euros; average contribution per member in euros)</i>					
	<b>Contractual Pension Funds</b>	<b>Open Pension Funds</b>	<b>Pre-existing Pension Funds</b>	<b>“New” PIPs</b>	<b>Total</b>
From employees	4,662	1,246	3,653	2,597	12,166
<i>of which: TFR</i>	2,955	550	1,662	657	5,824
From self-employed workers	10	410	42	847	1,309
Other	115	255	84	614	1,068
<b>Total</b>	<b>4,787</b>	<b>1,912</b>	<b>3,779</b>	<b>4,058</b>	<b>14,544</b>
<i>Memory item:</i>					
Average contribution per member					
<i>Employees</i>	2,030	2,430	7,520	1,890	2,740
<i>Self-employed workers</i>		2,410		2,450	2,480
FONDINPS is included. “Old” PIPs are excluded. Members who did not actively contribute are not considered in the average contribution calculation.					

Table 13

<b>Private Pension System – Members and assets</b>					
<i>(end-2017 data; assets in millions of euros; average capital in euros)</i>					
	<b>Members</b>	<i>of which: actively contributing</i>	<b>Assets</b>	<b>Accrued average capital</b>	
				<b>Members (total)</b>	<b>Members actively contributing</b>
Contractual Pension Funds	2,761,623	2,348,845	49,456	17,908	21,055
Open Pension Funds	1,343,159	840,822	19,145	14,254	22,769
Pre-existing Pension Fund	610,490	516,710	58,996	96,637	114,176
“New” PIPs	2,969,187	2,076,979	27,644	9,310	13,310
<b>Total</b>	<b>7,248,829</b>	<b>5,548,060</b>	<b>155,321</b>	<b>21,427</b>	<b>27,996</b>
FONDINPS is included; “Old” PIPs are excluded. The total of “Members” is net of multiple adhesions. The accrued average capital is calculated by dividing pension funds’ assets by the number of members.					

**Private Pension System – Annual average *per-capita* contribution by region**  
*(end-2017 data; average contribution in euros)*



**Table 15**

**Private Pension System - Members by type of pension fund and investment sub-fund**

*(end-2017 data; percentage composition)*

Investment sub-funds	Contractual Pension Funds	Open Pension Funds	“New” PIP	Pre-existing Pension Funds	Total
Guaranteed sub-funds	23.8	20.7	71.1	43.7	43.8
Bond sub-funds	18.0	11.5	3.8	16.4	12.3
Balanced sub-funds	56.6	52.6	11.7	36.7	37.6
Equity sub-funds	1.6	15.5	7.4	3.2	6.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

FONDINPS is included. Total is net of multiple adhesions.

**Table 16**

**Pension Funds and “New” PIPs – Members by investment sub-fund and age group**

*(end-2017 data; percentage composition)*

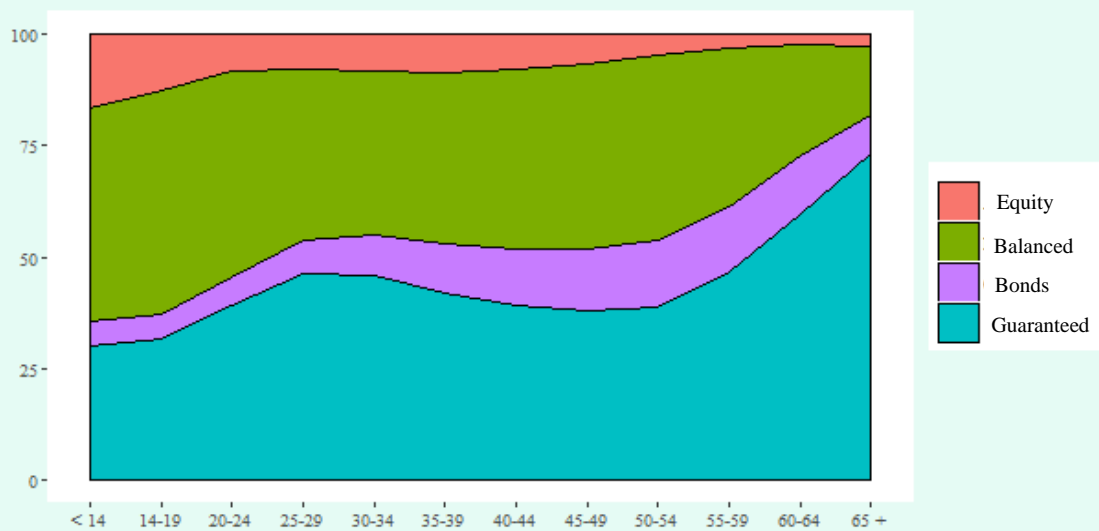


Table 17

**Private Pension System - Portfolio allocation by type of pension fund and domestic assets**  
(end-2017 data, millions of euros; percentage composition)

	Contractual Pension Funds		Open Pension Funds		Pre-existing Pension Funds		“New” PIPs		Total	
		%		%		%		%		%
Cash and deposit	3,459	7.0	2,333	12.2	2,303	7.3	1,182	4.2	9,278	7.2
Sovereign bonds	22,569	45.6	7,088	37.0	9,490	29.9	14,059	50.5	53,272	41.5
<i>of which: domestic</i>	9,536	19.3	4,362	22.8	4,558	14.4	10,560	37.9	29,079	22.7
Other debt securities	8,669	17.5	1,211	6.3	4,595	14.5	6,767	24.3	21,251	16.6
<i>of which: domestic</i>	705	1.4	183	1.0	443	1.4	1,344	4.8	2,676	2.1
Equities	10,579	21.4	3,780	19.7	5,569	17.6	2,744	9.9	22,672	17.7
<i>of which: domestic</i>	459	0.9	279	1.5	539	1.7	172	0.6	1,449	1.1
UCITS	4,224	8.5	4,727	24.7	6,801	21.5	2,763	9.9	18,517	14.4
<i>of which: real estate</i>	38	..	3	..	1,450	4.6	140	0.5	1,631	1.3
Real estate	-	-	-	-	2,048	6.5	-	-	2,047	1.6
Other assets and liabilities	-44	-0.1	30	..	886	2.8	330	1.2	1,181	0.9
<b>Total</b>	<b>49,456</b>	<b>100.0</b>	<b>19,145</b>	<b>100.0</b>	<b>31,692</b>	<b>100.0</b>	<b>27,845</b>	<b>100.0</b>	<b>128,218</b>	<b>100.0</b>
<i>of which: domestic</i>	10,700	21.6	4,824	25.2	5,540	17.5	12,076	43.3	33,204	25.9
<i>Memory item:</i>										
Equity exposure		25.3		40.5		22.0		18.8		25.3

FONDINPS is included. Data are referred to autonomous pension funds (i.e. having legal personality).

The “*Look-through principle*” has been applied to mutual funds’ investments.

“Real estate” also includes shareholdings in real estate companies.

“Equity exposure” also includes equity exposure through mutual funds and derivatives.



Table 18

<b>Pension Funds and “New” PIPs - Net rates of return</b> (per cent)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Contractual Pension Funds</b>	<b>-6.3</b>	<b>8.5</b>	<b>3.0</b>	<b>0.1</b>	<b>8.2</b>	<b>5.4</b>	<b>7.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>
<i>Guaranteed sub-funds</i>	3.1	4.6	0.2	-0.5	7.7	3.1	4.6	1.9	0.8	0.8
<i>Bond sub-funds</i>	1.6	2.9	0.4	1.7	3.0	1.2	1.2	0.5	0.2	-0.2
<i>Mixed Bond sub-funds</i>	-3.9	8.1	3.6	1.1	8.1	5.0	8.1	2.7	3.2	2.6
<i>Balanced sub-funds</i>	-9.4	10.4	3.6	-0.6	9.2	6.6	8.5	3.2	3.2	3.1
<i>Equity sub-funds</i>	-24.5	16.1	6.2	-3.0	11.4	12.8	9.8	5.0	4.4	5.9
<b>Open Pension Funds</b>	<b>-14.0</b>	<b>11.3</b>	<b>4.2</b>	<b>-2.4</b>	<b>9.1</b>	<b>8.1</b>	<b>7.5</b>	<b>3.0</b>	<b>2.2</b>	<b>3.3</b>
<i>Guaranteed sub-funds</i>	1.9	4.8	0.7	-0.3	6.6	2.0	4.3	0.9	0.7	0.6
<i>Bond sub-funds</i>	4.9	4.0	1.0	1.0	6.4	0.8	6.9	0.9	1.3	-0.3
<i>Mixed Bond sub-funds</i>	-2.2	6.7	2.6	0.4	8.0	3.6	8.0	2.2	1.4	0.4
<i>Balanced sub-funds</i>	-14.2	12.6	4.7	-2.3	10.0	8.3	8.7	3.7	2.7	3.7
<i>Equity sub-funds</i>	-27.6	17.7	7.2	-5.3	10.8	16.0	8.7	4.2	3.2	7.2
<b>“New” PIPs</b>										
Traditional life policies	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>2.9</b>	<b>2.5</b>	<b>2.1</b>	<b>1.9</b>
Unit linked	<b>-21.9</b>	<b>14.5</b>	<b>4.7</b>	<b>-5.2</b>	<b>7.9</b>	<b>10.9</b>	<b>6.8</b>	<b>3.2</b>	<b>3.6</b>	<b>2.2</b>
<i>Bond sub-funds</i>	2.4	3.7	0.6	0.8	4.9	-0.3	3.3	0.6	0.4	-0.7
<i>Balanced sub-funds</i>	-8.3	7.8	2.5	-3.5	6.4	5.8	8.2	1.9	1.5	2.3
<i>Equity sub-funds</i>	-32.4	20.6	6.7	-7.9	9.6	17.2	7.1	4.5	6.0	3.2
<i>Memory Item:</i>										
TFR Revaluation Rate	2.7	2.0	2.6	3.5	2.9	1.7	1.3	1.2	1.5	1.7

Rates of return are net of costs and taxes. PIPs’ net rates of return are calculated according to the standardized methodology laid down by COVIP.

Table 19

<b>Pension Funds and “New” PIPs - Compounded average net annual rates of return</b> (percentage composition)						
	<b>31.12.2016- 31.12.2017</b>	<b>31.12.2015- 31.12.2017</b>	<b>31.12.2014- 31.12.2017</b>	<b>31.12.2012- 31.12.2017</b>	<b>31.12.2007- 31.12.2017</b>	<b>31.12.1999- 31.12.2017</b>
	1 year	2 years	3 years	5 years	10 years	18 years
<b>Contractual Pension</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>4.1</b>	<b>3.3</b>	<b>3.1</b>
<i>Guaranteed sub-funds</i>	0.8	0.8	1.2	2.2	2.6	-
<i>Bond sub-funds</i>	-0.2	0.8	0.2	0.6	1.2	-
<i>Mixed Bond sub-funds</i>	2.6	2.9	2.9	4.3	3.8	-
<i>Balanced sub-funds</i>	3.1	3.2	3.1	4.8	3.6	-
<i>Equity sub-funds</i>	5.9	5.2	5.1	7.5	3.7	-
<b>Open Pension Funds</b>	<b>3.3</b>	<b>2.7</b>	<b>2.8</b>	<b>4.8</b>	<b>3.0</b>	<b>2.0</b>
<i>Guaranteed sub-funds</i>	0.6	0.7	0.7	1.7	2.2	2.4
<i>Bond sub-funds</i>	-0.3	0.7	0.7	2.0	2.7	2.9
<i>Mixed bond sub-funds</i>	0.4	0.8	1.2	3.0	3.0	2.9
<i>Balanced sub-funds</i>	3.7	3.3	3.3	5.4	3.5	2.5
<i>Equity sub-funds</i>	7.2	5.1	5.0	7.8	3.4	1.6
<b>“New” PIPs</b>						
Traditional Life Policies	<b>1.9</b>	<b>2.0</b>	<b>2.2</b>	<b>2.5</b>	<b>2.8</b>	-
Unit linked	<b>2.2</b>	<b>2.9</b>	<b>3.0</b>	<b>5.3</b>	<b>2.2</b>	-
<i>Bond sub-funds</i>	-0.7	-0.1	0.1	0.6	1.6	-
<i>Balanced sub-funds</i>	2.3	1.9	1.9	3.9	2.4	-
<i>Equity sub-funds</i>	3.2	4.6	4.5	7.5	2.3	-
<i>Memory Item:</i>						
TFR Revaluation Rate	1.7	1.6	1.5	1.5	2.1	2.5

Rates of return are net of costs and taxes. PIPs' net rates of return are calculated according to the standardized methodology laid down by COVIP.

**Table 20**

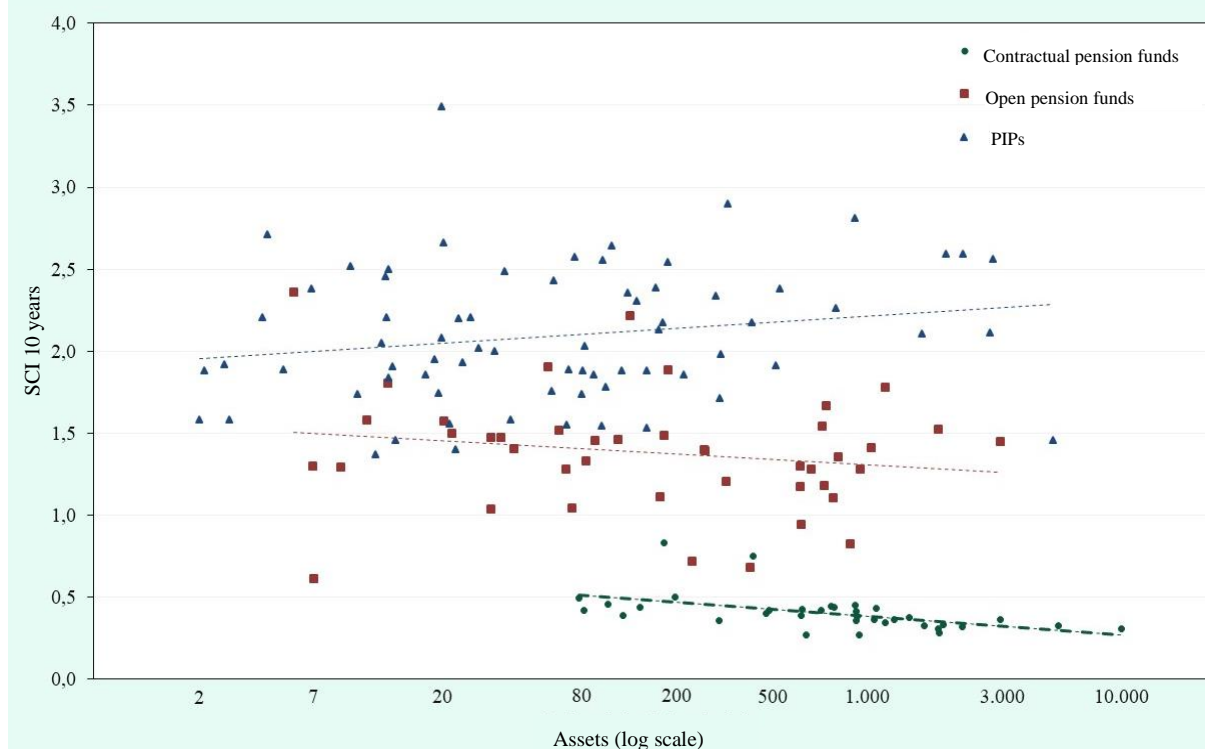
**Pension Funds and “New” PIPs - Synthetic Cost Indicator**  
*(end-2017 data; percentage composition)*

	Synthetic Cost Indicator (SCI)			
	2 years	5 year	10 years	35 years
Contractual Pension Funds	1.0	0.6	0.4	0.3
<i>Minimum</i>	0.5	0.3	0.2	0.1
<i>Maximum</i>	3.0	1.4	0.9	0.6
Open Pension Funds	2.3	1.6	1.3	1.2
<i>Minimum</i>	0.5	0.5	0.5	0.1
<i>Maximum</i>	5.1	3.4	2.8	2.4
“New” PIPs	3.9	2.7	2.2	1.8
<i>Minimum</i>	1.0	0.9	0.6	0.4
<i>Maximum</i>	6.5	4.9	4.1	3.5

Synthetic Cost Indicators are calculated as a simple average of the indicators referred to each investment sub-fund.

**Table 21**

**Pension Funds and “New” PIPs - Synthetic Cost Indicator (10 years)**  
*(end-2017 data; per cent)*



**Table 22**

**Pension Funds and “New” PIPs - Synthetic Cost Indicator by type of investment sub-fund**  
(end-2017 data; per cent)

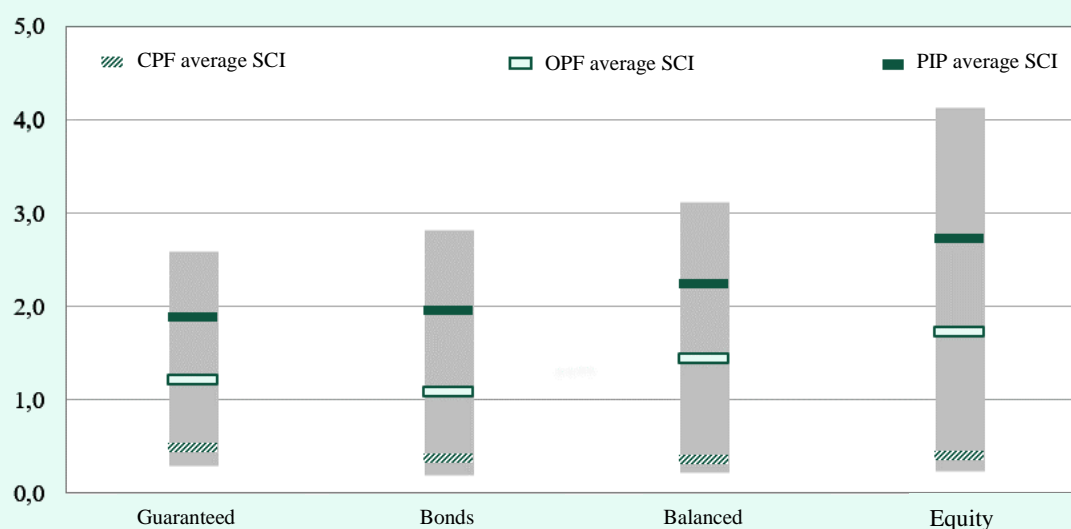
Type of investment sub-fund		Synthetic Cost Indicator (SCI)			
		2 years	5 years	10 years	35 years
Guaranteed sub-funds	Contractual Pension Funds	1.1	0.6	0.5	0.3
	Open Pension Funds	2.3	1.4	1.2	1.1
	“New” PIPs	3.7	2.4	1.9	1.4
Bond sub-funds	Contractual Pension Funds	1.1	0.6	0.4	0.2
	Open Pension Funds	1.9	1.3	1.1	0.9
	“New” PIPs	3.5	2.4	1.9	1.6
Balanced sub-funds	Contractual Pension Funds	1.0	0.5	0.4	0.2
	Open Pension Funds	2.4	1.6	1.4	1.3
	“New” PIPs	3.6	2.6	2.2	1.9
Equity sub-funds	Contractual Pension Funds	1.2	0.6	0.4	0.2
	Open Pension Funds	2.8	1.9	1.7	1.6
	“New” PIPs	4.5	3.2	2.7	2.3

Synthetic Cost Indicators are calculated as a simple average of the indicators referred to each investment sub-fund.  
“New” PIPs’ guaranteed sub-funds are with-profit products.

**Table 23**

**Pension Funds and “New” PIPs - Synthetic Cost Indicator (10 years) by type of investment sub-fund**

(end-2017 data; per cent)



The graph displays SCI of all sub-funds, classified according to the sub-funds’ investment categories (guaranteed, bond, balanced or equity sub-funds). The graph also displays, for each sub-funds’ investment category, the average SCI for each category of pension funds (contractual, open pension funds and “New” PIPs).

“New” PIPs are with-profit products.

Table 24

**Contractual Pension Funds – Individual accounts by professional category and type of pension fund**

(end-2017 data)

Type of pension fund	Number of pension funds	Employees		Self-employed workers	Other	Total
		Private sector	Public sector			
Company and group of companies pension funds	8	311,673	-	-	23,287	334,966
Industry-wide pension funds	24	1,986,954	142,286	4,741	140,955	2,274,936
Regional pension funds	3	119,129	51,241	348	24,013	194,731
<b>Total</b>	<b>35</b>	<b>2,417,762</b>	<b>193,527</b>	<b>5,089</b>	<b>188,255</b>	<b>2,804,633</b>

Table 25

**Contractual Pension Funds. Number of sub-funds and assets by type of investment sub-fund**

(end period data)

Investment sub-fund	Number of sub-funds		Assets - % composition	
	2016	2017	2016	2017
Guaranteed sub-funds	37	37	14.7	14.7
Bond sub-funds	3	3	6.9	2.5
Mixed bond sub-funds	21	18	39.2	24.3
Balanced sub-funds	35	37	36.6	55.0
Equity sub-funds	12	12	2.6	3.5
<b>Total</b>	<b>108</b>	<b>107</b>	<b>100.0</b>	<b>100.0</b>

Table 26

**Contractual Pension Funds - Assets by type of financial intermediary**
*(end period data; assets in millions of euros)*

Financial intermediaries	Number of financial intermediaries		Number of mandates		Assets under management			
	2016	2017	2016	2017	2016		2017	
						%		%
Domestic financial intermediaries								
Insurance companies	5	3	30	26	7,231	15.6	4,792	9.6
Asset management companies	13	13	115	115	17,582	38.0	18,081	36.2
Investment companies	-	1	-	1	-	-	190	0.4
Banks	2	2	16	17	2,887	6.2	4,648	9.3
<b>Total</b>	<b>20</b>	<b>19</b>	<b>161</b>	<b>159</b>	<b>27,700</b>	<b>59.8</b>	<b>27,711</b>	<b>55.6</b>
Other EU financial intermediaries	23	21	97	97	18,623	40.2	22,172	44.4
<b>Total</b>	<b>43</b>	<b>40</b>	<b>258</b>	<b>256</b>	<b>46,323</b>	<b>100.0</b>	<b>49,883</b>	<b>100.0</b>
<i>Memory Item:</i>								
Assets directly managed by pension funds					71		117	
<b>Total assets</b>					<b>46,394</b>		<b>50,000</b>	

FONDINPS is included.

Table 27

**Contractual Pension Funds - Main data**
*(end-2017 data)*

Name of the pension fund	Individual accounts	Percentage change	Potential Members	Participation rate (%)	Assets (millions of euros)
FONCHIM	155,174	4.1	191,500	81.0	6,110
FONDENERGIA	42,236	-0.1	47,600	88.7	2,174
QUADRI E CAPI FIAT	11,993	1.6	15,112	79.4	599
COMETA	397,634	-0.3	1,000,000	39.8	10,825
FONDOSANITA'	5,961	7.6	804,000	0.74	174
SOLIDARIETA'	70,133	36.6	891,000	7.87	1,177
VENETO					
PREVIAMBIENTE	49,525	0.0	250,000	19.8	978
ALIFOND	46,968	-0.6	248,000	18.9	1,394
LABORFONDS	117,387	1.4	245,000	47.9	2,575
COOPERLAVORO	72,126	-0.1	349,311	20.6	983
FOPEN	45,726	3.4	45,726	100.0	2,073
PEGASO	31,384	1.1	50,000	62.8	987
PREVICOOPER	30,351	-1.3	74,616	40.7	789
TELEMACO	58,210	-1.7	150,000	38.8	1,827
ARCO	29,003	-3.5	232,050	12.5	603
FONCER	13,915	-0.9	29,600	47.0	451
FONDAPI	55,870	7.1	500,000	11.2	717
PREVIMODA	58,275	-0.2	400,000	14.6	1,160
CONCRETO	6,000	-2.6	8,500	70.6	192
FONTE	211,431	3.0	2,500,000	8.5	3,625
BYBLOS	36,274	5.7	200,000	18.1	807
GOMMAPLASTICA	49,449	0.7	100,000	49.4	1,283
MEDIAFOND	2,715	0.6	8,500	31.9	105
PREVAER	12,668	4.1	31,000	40.9	438
FILCOOP	8,410	-1.8	160,000	5.8	120
EUROFER	71,299	96.6	90,000	79.2	1,008
PREVEDI	745,157	15.8	400,000	100.0	630
PRIAMO	92,796	59.6	230,000	40.3	1,592
FOPADIVA	7,174	0.1	28,000	25.6	139
FONDOPOSTE	96,358	-0.6	129,790	74.2	2,087
ESPERO	100,710	0.2	1,200,000	8.4	996
ASTRI	15,571	77.0	15,571	100.0	285
AGRIFONDO	8,598	-0.5	330,000	2.6	85
PERSEO SIRIO	41,686	5.7	1,571,382	2.7	81
FONDAEREO	6,466	-2.0	7,929	81.5	389
<b>TOTAL: 35</b>	<b>2,804,633</b>	<b>8.0</b>			<b>49,456</b>

Table 28

<b>Open Pension Funds - Market Structure</b> (end period data)						
	2016			2017		
	Number of financial intermediaries	Number of funds/ sub-funds	Assets (%)	Number of financial intermediaries	Number of funds/ sub-funds	Assets (%)
<b>Type of financial intermediaries</b>						
Insurance companies	26	33	57.3	25	33	56.7
Banks	1	1	3.0	1	1	3.1
Asset management companies	9	9	39.7	9	9	40.2
Investment companies	-	-	-	-	-	-
<b>Total</b>	<b>36</b>	<b>43</b>	<b>100.0</b>	<b>35</b>	<b>43</b>	<b>100.0</b>
<i>Memory item:</i>						
Open Pension Funds managed by the 5 larger financial conglomerates (in terms of members)		13	60.2		12	59.8
<b>Investment sub-funds</b>						
Guaranteed sub funds		48	23.1		48	22.7
Bond sub-funds		26	3.4		27	3.6
Mixed bond sub-funds		27	9.9		21	7.1
Balanced sub-funds		54	38.4		59	45.3
Equity sub-funds		41	25.2		39	21.3
<b>Total</b>		<b>196</b>	<b>100.0</b>		<b>194</b>	<b>100.0</b>
<b>Investment sub-funds by asset size</b>						
> 100 million of euros		45	74.8		47	76.7
10 to 100 million of euros		97	24.0		96	22.2
< 10 million of euros		53	1.2		51	1.1



Table 29

<b>“New” PIPs - Market structure</b> (end period data)		
	<b>2016</b>	<b>2017</b>
Number of “new” PIPs	78	77
Number of insurance companies	37	35
	<b>ANDP (%)</b>	<b>ANDP (%)</b>
<b>Investment lines</b>		
Traditional life policies	74.2	74.9
Unit-linked	25.8	25.1
<i>Bond investment lines</i>	4.1	4.6
<i>Balanced investment lines</i>	8.2	8.6
<i>Equity investment lines</i>	13.4	11.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Investment lines by assets size</b>		
> 100 millions of euros	88.9	89.7
10 to 100 million of euros	10.1	9.6
< 10 millions of euros	1.0	0.7
<i>Memory Item:</i>		
PIPs of the 5 larger insurance undertakings (in terms of members)	81.4	81.0

Table 30

<b>Pre-existing Pension Funds - Number of pension funds by fund regime</b> (end-2017 data)			
<b>Pension fund regime</b>	<b>Type of pension fund</b>		<b>Total</b>
	<b>Autonomous</b>	<b>Non-autonomous</b>	
Defined contribution pension funds	140	2	142
<i>of which: pension funds which pay annuities directly</i>	5	-	5
Defined benefit pension funds	16	73	90
Hybrid pension funds	18	10	27
<b>Total</b>	<b>174</b>	<b>85</b>	<b>259</b>

**Table 31**

<b>Pre-existing Pension Funds - Assets</b> (end period data; assets in millions of euro)		
	<b>2016</b>	<b>2017</b>
Autonomous pension funds	55,068	57,377
<i>Of which:</i>		
<i>Technical provisions within insurance companies</i>	24,738	25,685
	2,470	1,619
Non-autonomous pension funds		
<i>internal to banks</i>	2,050	1,227
<i>internal to insurance undertakings</i>	25	22
<i>internal to non-financial institutions</i>	395	371
<b>Total</b>	<b>57,538</b>	<b>58,996</b>

**Table 32**

<b>Autonomous Pre-existing Pension Funds - Type of asset management</b> (end period data; percentage composition)		
	<b>2016</b>	<b>2017</b>
Assets directly managed by pension funds	43.2	35.3
Assets managed by financial intermediaries	56.8	64.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Table 33

**Private Pension System - Time series - Number of pension funds**
*(end period data)*

Years	Contractual Pension Funds	Open Pension Funds	Pre-existing Pension Funds	“New” PIPs	“Old” PIPs	Total
1999	33	88	618	-	-	739
2000	42	99	578	-	-	719
2001	41	102	575	-	-	718
2002	44	95	554	-	-	693
2003	42	96	510	-	-	648
2004	41	92	494	-	-	627
2005	43	89	455	-	-	587
2006	42	84	448	-	-	574
2007	42	81	433	72	-	629
2008	41	81	411	75	-	609
2009	39	76	391	75	-	582
2010	38	69	375	76	-	559
2011	38	67	363	76	-	545
2012	39	59	361	76	-	536
2013	39	58	330	81	-	509
2014	38	56	323	78	-	496
2015	36	50	304	78	-	469
2016	36	43	294	78	-	452
2017	35	43	259	77	-	415

FONDIPNS is included

Table 34

**Private Pension System - Time series - Number of individual accounts**
*(end period data)*

Years	Contractual Pension Funds	Open Pension Funds	Pre-existing Pension Funds	“New” PIPs	“Old” PIPs	Total
1999	701,127	136,305	573,256	-	-	1,410,688
2000	877,523	223,032	591,555	-	-	1,692,110
2001	984,567	287,251	687,482	-	201,108	2,160,408
2002	1,021,186	337,600	679,603	-	357,313	2,395,702
2003	1,042,381	364,604	671,474	-	508,757	2,587,216
2004	1,062,907	382,149	666,841	-	628,176	2,740,073
2005	1,155,168	407,022	657,117	-	744,023	2,963,330
2006	1,219,372	440,486	643,986	-	880,380	3,184,224
2007	1,988,639	747,264	680,746	486,017	703,400	4,560,164
2008	2,043,509	795,605	676,994	701,819	674,332	4,850,782
2009	2,040,150	820,385	673,039	893,547	654,376	5,055,284
2010	2,010,904	848,415	668,625	1,160,187	610,098	5,272,579
2011	1,994,280	881,311	664,731	1,451,995	573,336	5,536,554
2012	1,969,771	913,913	662,162	1,794,835	534,816	5,848,727
2013	1,950,552	984,584	654,537	2,134,038	505,110	6,203,673
2014	1,944,276	1,057,038	645,371	2,356,674	467,255	6,447,186
2015	2,419,103	1,150,132	645,612	2,600,790	433,753	7,234,858
2016	2,596,819	1,258,986	653,352	2,881,528	411,242	7,785,961
2017	2,804,633	1,374,205	643,341	3,104,209	390,311	8,298,969

FONDINPS is included in the total.

Table 35

<b>Private Pension System - Time series - Assets</b>						
<i>(end period data; millions of euros)</i>						
<b>Years</b>	<b>Contractual Pension Funds</b>	<b>Open Pension Funds</b>	<b>Pre-existing Pension Funds</b>	<b>“New” PIPs</b>	<b>“Old” PIPs</b>	<b>Total</b>
1999	544	234	19,859	-	-	20,637
2000	1,190	552	21,269	-	-	23,011
2001	2,256	943	29,578	-	193	32,970
2002	3,264	1,230	29,531	-	617	34,642
2003	4,543	1,731	30,057	-	1,278	37,609
2004	5,881	2,230	30,617	-	2,150	40,878
2005	7,615	2,954	33,400	-	3,338	47,307
2006	9,257	3,527	34,246	-	4,546	51,576
2007	11,599	4,298	36,054	1,020	4,770	57,747
2008	14,092	4,663	35,906	1,958	4,667	61,302
2009	18,757	6,269	39,813	3,397	5,569	73,827
2010	22,384	7,533	42,007	5,229	5,980	83,167
2011	25,272	8,364	43,818	7,196	5,996	90,687
2012	30,174	10,078	47,972	9,813	6,273	104,363
2013	34,504	11,990	50,398	13,014	6,499	116,465
2014	39,644	13,980	54,033	16,369	6,850	130,941
2015	42,546	15,430	55,299	20,056	6,950	140,351
2016	45,931	17,092	57,538	23,711	6,931	151,278
2017	49,456	19,145	58,996	27,644	6,978	162,299

FONDINPS is included.

Table 36

<b>Private Pension System - Time series - Rates of return</b>						
<i>(per cent)</i>						
<b>Years</b>	<b>Contractual Pension Funds</b>	<b>Open Pension Funds</b>	<b>“New” PIPs Traditional Life Policies</b>	<b>“New” PIPs United-linked</b>	<b>TFR revaluation rate</b>	
1999	-	24.0	-	-		3.1
2000	3.5	2.9	-	-		3.5
2001	-0.5	-5.6	-	-		2.9
2002	-3.4	-13.1	-	-		3.1
2003	5.0	5.7	-	-		2.8
2004	4.6	4.3	-	-		2.5
2005	7.5	11.5	-	-		2.6
2006	3.8	2.4	-	-		2.4
2007	2.1	-0.4	-	-		3.1
2008	-6.3	-14.0	3.1	-21.9		2.7
2009	8.5	11.3	3.1	14.5		2.0
2010	3.0	4.2	3.2	4.7		2.6
2011	0.1	-2.4	3.2	-5.2		3.5
2012	8.2	9.1	3.3	7.9		2.9
2013	5.4	8.1	3.2	10.9		1.7
2014	7.3	7.5	2.9	6.8		1.3
2015	2.7	3.0	2.5	3.2		1.2
2016	2.7	2.2	2.1	3.6		1.5
2017	2.6	3.3	1.9	2.2		1.7

Rates of return are net of costs and taxes. PIPs’ net rates of return are calculated according to the standardised methodology laid down by COVIP.

## GLOSSARY

**Contractual Pension Funds (CPFs):** pension funds established through collective bargaining agreements between employers' associations and trade unions that may be negotiated at company or group of companies (of the industrial or economic sector) level, as well as with reference to specific geographical areas. CPFs only support occupational pension plans and have legal personality (i.e. there is a legal separation between the pension fund and the sponsor).

**FONDINPS:** the pension fund foreseen by Law no. 243 of 2004 (*see below*) and laid down by Legislative Decree no. 252 of 2005 (*see below*). FONDINPS receives contributions from tacit adhesions in case the collective bargaining agreement does not identify a contractual pension fund for the collection of silent members' contributions. According to Law no. 205/2017, FONDINPS is going to be repealed. The existing individual accounts will be transferred to an already existing contractual pension fund, which will be identified by a specific ministerial decree.

**Open Pension Funds (OPFs):** pension funds promoted by banks, insurance companies, asset management companies. They support both occupational and personal plans. They do not have legal personality; nonetheless, their assets are required to be separated with respect to those of the financial company managing them.

**“New” PIPs:** individual pension plans implemented through life insurance contracts, established after the entry into force of Legislative Decree no. 252 of 2005. They are subject to the same rules applicable to new pension funds with respect to members' rights, portability and transparency. Offered by insurance companies, they only support personal plans. They do not have legal personality; nonetheless, their assets are required to be separated with respect to those of the insurance company sponsoring them. They can be with-profit (traditional policies) or unit-linked policies.

**“Old” PIPs:** individual pension plans implemented through life insurance contracts, established before the entry into force of Legislative Decree no. 252 of 2005. They are prevented from collecting new members.

**Pre-existing Pension Funds (Old Pension Funds):** pension funds that were already operating before the entry into force of Legislative Decree no. 124 of 1993. They are both autonomous and non-autonomous (book reserves); they are structured as defined contribution and defined benefit schemes (they are not open to new members).

Pre-existing pension funds continued to operate without substantial changes, as they do not have to apply all the rules provided for pension funds established after 1993; in particular, they can directly manage their assets and invest in real estate.

**Synthetic Cost Indicator (SCI):** an indicator aimed at easily communicating all the costs charged on a member (over the accumulation phase) in percentage of the assets of his individual account. The SCI has to be computed according to a methodology laid down by COVIP, which is common for all the different kinds of pension funds. SCI of each investment option has to be displayed on the information document to be made available to members (*Informazioni chiave*

*per l'Aderente*) and on COVIP website – where an interactive tool ([http://www.covip.it/isc\\_dinamico](http://www.covip.it/isc_dinamico)) makes it easier to compare the SCI of different pension products.

**TFR** (*Trattamento di fine rapporto*) – the TFR is a sort of severance pay scheme that the employer has to pay to the employee in the event of his dismissal or retirement. With this aim, the employer sets aside 6.91 per cent of the gross salary of the employee on a monthly basis. The accrued stock of TFR, which is accounted as a book reserve in the balance sheet of the employer, appreciates on an annual basis according to a CPI-linked formula.

**Individual accounts:** number of accounts (of members) held with pension funds.

**Other** (Members): individuals who either lost the requisites needed for participating to their pension fund or reached the legal requirements for retiring in the compulsory social security system; individuals who are fiscally dependent on others; all other individuals not belonging to any of the abovementioned categories.

\* \* \*

**Legislative Decree no. 124 of 1993:** first piece of legislation that laid down the tasks and powers of the Pension Funds Supervisory Authority (*Commissione di Vigilanza sui Fondi Pensione – COVIP*) and regulated the establishment and operation of new pension funds (contractual pension funds and open pension funds – *see above*). These pension funds are set up on a voluntary basis, they have to be funded and based on the defined contribution method. Before the entry into force of the Legislative Decree, pre-existing pension funds (*see above*) were already operating.

**Legislative Decree no. 252 of 2005:** the main piece of legislation for the pension funds' sector. It provides that employees of the private sector hired for the first time in their working life have to choose whether to transfer their TFR in a pension plan or to keep it in the employer's company. In the event no express choice is made by the employee within a six-month period, the TFR is automatically paid into an occupational pension fund (typically, the industry-wide occupational fund or *FONDINPS* – *see above*). A less risky portfolio is set as the default option for tacit adhesion. On the basis of the provisions of collective agreements, employees can decide to add further contributions in order to get matching contributions from their employers. Additional voluntary contributions are allowed. Particular emphasis is given in the Decree to transparency and comparability between the different kinds of pension plans.