



COVIP

COMMISSIONE DI VIGILANZA
SUI FONDI PENSIONE

MAIN DATA ON SUPPLEMENTARY PENSION FUNDS IN ITALY

(UPDATE: END OF 2018)

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 2018 COVIP Annual Report (“*Relazione Annuale 2018*”), available on COVIP website (https://www.covip.it/wp-content/files_mf/1560939294Relazioneannuale201820190612.pdf).
Data are also available on .xls format on COVIP website (<https://www.covip.it/?cat=35>).

At the end of 2018, Italian pension funds counted 7.9 million members, with an increase of 4.9 per cent with respect to the previous year. The participation rate was 30.2 per cent of the labour force.

Total assets under management reached 167.1 billion of euro (3 per cent higher than 2017), representing 9.5 per cent of GDP and 4 per cent of financial assets of households.

Number of pension funds

At the end of 2018, pension funds were 398 in total: 33 contractual pension funds, 43 open pension funds, 70 “new” PIPs, 251 pre-existing pension funds (of which 170 autonomous pension funds); the total includes FONDINPS (see *Glossary*).

The number of pension funds decreased continuously in recent years - i.e. by 17 units in 2018 and by 321 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 2018, 158 pension funds (mostly pre-existing pension funds) managed assets for less than 25 million euro, while only 45 pension funds had assets amounting to more than 1 billion euro.

Membership

At the end of 2018, Italian pension funds totaled 7.9 million members (and 8.7 million individual accounts due to multiple adhesions): 2.9 million in contractual pension funds, 1.4 million in open pension funds, 3.1 million in “new” PIPs, 613,000 in pre-existing pension funds and approximately 370,000 in “old” PIPs.

The participation rate was 30.2 per cent of the labour force, or 22.7 per cent when considering only members who actively contributed during the year to their individual account.

Out of the total of members, 5.7 million were employees, 1.1 million were self-employed workers and 1.1 million were “other” members (see *Glossary*).

In 2018, the number of members increased by 4.9 per cent compared to the previous year. The rise was 6.8 per cent for contractual pension funds, 6.4 per cent for open pension funds, 5.4 per cent for “new” PIPs and 0.3 per cent for pre-existing pension funds. 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.

As for gender, men are 61.9 percent of those enrolled in supplementary pension funds: they represent 73.1 per cent in contractual pension funds and 53.7 per cent in PIPs.

As for age, 54.7 per cent of members are aged between 35 and 54, while 27.6 per cent are at least 55 years old. The average age of members is 46.1 years. The average age of men is higher than that of women.

By geographical area of residence, most of the members reside in Northern Italy (56.8 per cent).

Total assets and contributions

In 2018, pension funds' assets amounted to €167.1 billion, with an increase of 3 per cent.

Assets rose by: 1.9 per cent (€50.4 billion) for contractual pension funds, 2.5 per cent (€19.6 billion) for open pension funds, 11.1 per cent (€30.7 billion) for “new” PIPs, and 1.2 per cent (€59.7 billion) for pre-existing pension funds. Assets held by “old” PIPs amounted to €6.6 billion.

Gross contributions amounted to €16.3 billion, 59 per cent of which referred to occupational pension funds. The flow of the TFR (see *Glossary*) paid into pension funds amounted to approximately €6 billion (equal to 37 per cent of total contributions).

Gross outflows were €8.6 billion: pension benefits amounted to €4.1 billion, out of which lump-sums were €3.4 billion and annuities €712 million; early withdrawals summed up to €4.4 billion.

Returns and costs

In 2018 returns of pension funds, net of costs and taxes, were on average negative (after a decade of positive returns): -2.5 per cent for contractual pension funds and -4.5 per cent for open pension funds. Within “new” PIPs, the returns of unit-linked products were -6.5 per cent while those of with-profit products (valued at historical cost rather than at market value) were 1.7 per cent. The TFR revaluation, net of tax, was 1.9 per cent.

However, considering a longer and more appropriate timeframe (2009-2018), the annual rate of returns, net of costs and taxes, was positive for all supplementary pension schemes: 3.7 per cent for contractual pension funds, 4.1 per cent for open pension funds. Within “new” PIPs, unit-linked products delivered a return of 4.0 per cent while with-profit products achieved a return of 2.7 per cent. The TFR revaluation, net of tax, was lower, at 2 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, 1.4 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 2018, pension fund assets were mainly invested in debt securities (58.8 per cent), mostly government bonds; 16.4 per cent of assets were invested in equities and 13.8 per cent in mutual funds. Domestic investments accounted for 27.7 per cent of total assets (€36.7 billion), most of which were government bonds. Investments in securities issued by Italian companies were limited: €3.7 billion (less than 3 per cent of total assets), of which €2.5 billion were bonds and the remaining were equities.

Tables

Table 1

Private Pension System - Main statistics (end-2018 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	33	3,002,321	7.0	2,948,740	6.8	50,410	1.9	5,062	5.7
Open Pension Funds	43	1,462,072	6.4	1,428,866	6.4	19,624	2.5	2,044	6.9
Pre-existing Pension Funds	251	650,309	1.0	613,146	0.3	59,699	1.2	4,618	22.4
“New” PIPs	70	3,275,536	5.5	3,130,147	5.4	30,704	11.1	4,268	5.1
Total	398	8,418,145	5.7	7,631,281	5.3	160,519	3.3	16,000	10.0
“Old” PIPs		370,337		370,337		6,626		306	
Total		8,740,239	5.3	7,953,375	4.9	167,145	3.0	16,306	9.7

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

Table 2

Private Pension System - Distribution of pension funds by assets (end-2018 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	17,186	-	-	1	6,966	2	17,629	5	41,781
2,501 to 5,000	2	6,472	1	3,488	3	9,819	2	6,742	8	26,522
1,001 to 2,500	14	20,940	5	7,341	3	5,501	10	15,584	32	49,365
501 to 1,000	5	3,387	8	5,812	5	3,540	8	4,911	26	17,650
101 to 500	9	2,336	10	2,216	17	3,396	45	11,008	81	18,956
25 to 100	1	89	11	665	21	1,247	54	2,964	88	4,965
1 to 24	-	-	8	102	19	234	78	850	105	1,269
< 1	-	-	-	-	1	0,3	52	11	53	12
Total	33	50,410	43	19,624	70	30,704	251	59,699	398	160,519

FONDINPS is included.

Table 3

Private Pension System - Participation rate (end-2018 data)		
	Private pension system	Participation rate (%)
Actual members	7,953,375	30.2
Actively contributing members	5,953,420	22.7
<i>Memory item:</i>		
Labour force	25,971,000	
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. 110,000 individuals).		

Table 4

Private Pension System - Members by professional category (end-2018 data)				
Type of pension funds	Employees	Self-employed workers	Other	Total
Contractual Pension Funds	2,750,165	5,667	192,908	2,948,740
Open Pension Funds	774,174	379,409	275,283	1,428,866
Pre-existing Pension Funds	535,681	13,995	63,470	613,146
"New" PIPs	1,951,281	619,558	559,308	3,130,147
Total	5,607,655	979,867	1,043,759	7,631,281
"Old" PIPs	130,203	126,203	113,931	370,337
Total	5,708,794	1,095,991	1,148,590	7,953,375
FONDINPS is included. The total of "Members" is net of multiple adhesions.				

Table 5

Private Pension System – Members by type of pension fund and age group (end-2018; percentage composition; average age in years)					
Age groups	Contractual Pension Funds	Open Pension Funds	Pre-existing Pension Funds	“New” PIPs	Total
< 25	2.4	9.6	1.4	4.9	4.6
25 - 34	12.6	13.1	5.9	15.0	13.1
35 - 44	25.4	22.1	20.4	23.8	23.6
45 - 54	34.6	30.0	35.2	28.6	31.1
55 - 64	23.0	21.1	30.7	22.7	23.1
> 65	1.9	4.1	6.3	5.1	4.5
Total	100.0	100.0	100.0	100.0	100.0
<i>Memory item:</i>					
Average age	46.3	44.3	49.8	45.6	46.1
Total includes “old” PIPs.					

Table 6

Private Pension System - Members by professional category, age and gender (end-2018 data; percentage composition; average age in years)									
Age groups	Self-employed workers			Employees			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 25	1.0	1.5	1.2	2.6	1.6	2.2	4.4	4.9	4.6
25 to 34	6.4	8.5	7.1	14.2	12.9	13.8	13.2	12.9	13.1
35 to 44	20.2	23.1	21.1	25.3	26.9	25.9	23.2	24.2	23.6
45 to 54	34.6	34.4	34.6	32.6	34.2	33.0	30.8	31.6	31.1
55 to 64	29.0	26.6	28.2	22.0	22.3	22.5	23.3	22.6	23.1
> 65	8.8	5.9	7.9	2.4	2.1	2.6	5.0	3.8	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Memory item:</i>									
Gender composition	68.0	32.0	100.0	63.8	36.2	100.0	61.9	38.1	100.0
Average age	50.2	48.4	49.6	46.1	46.2	46.1	46.4	45.7	46.1

Table 7

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

(end-2018 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)

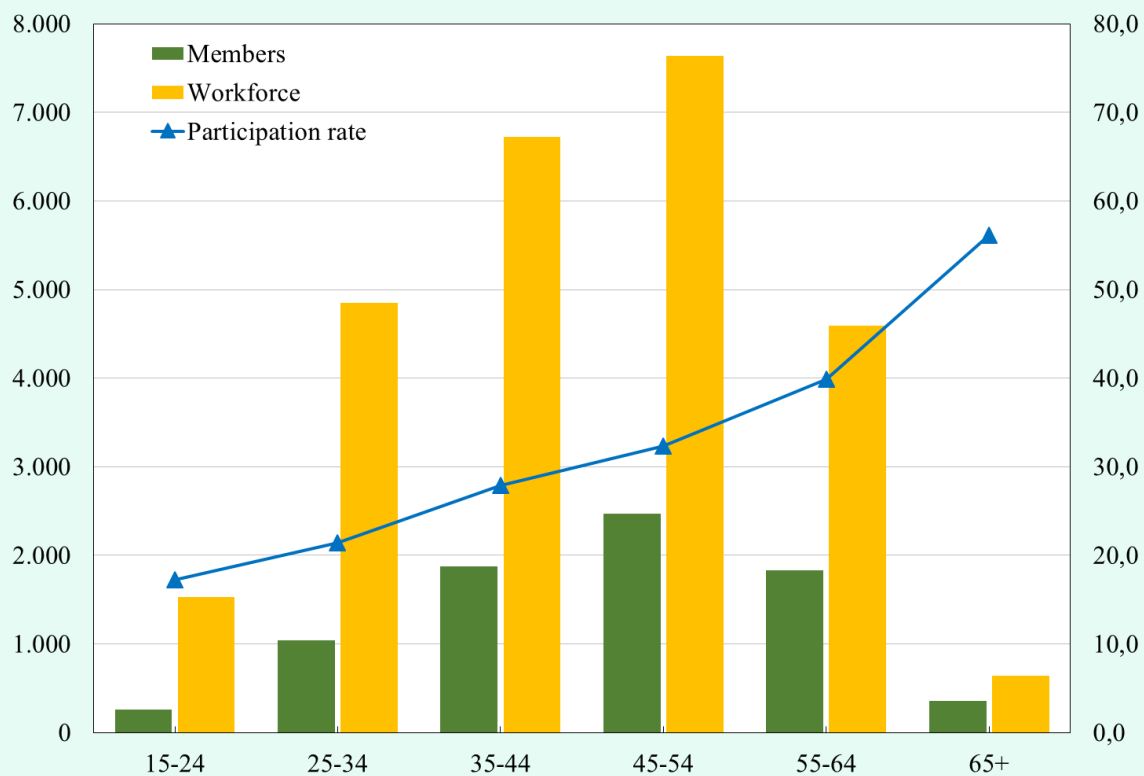
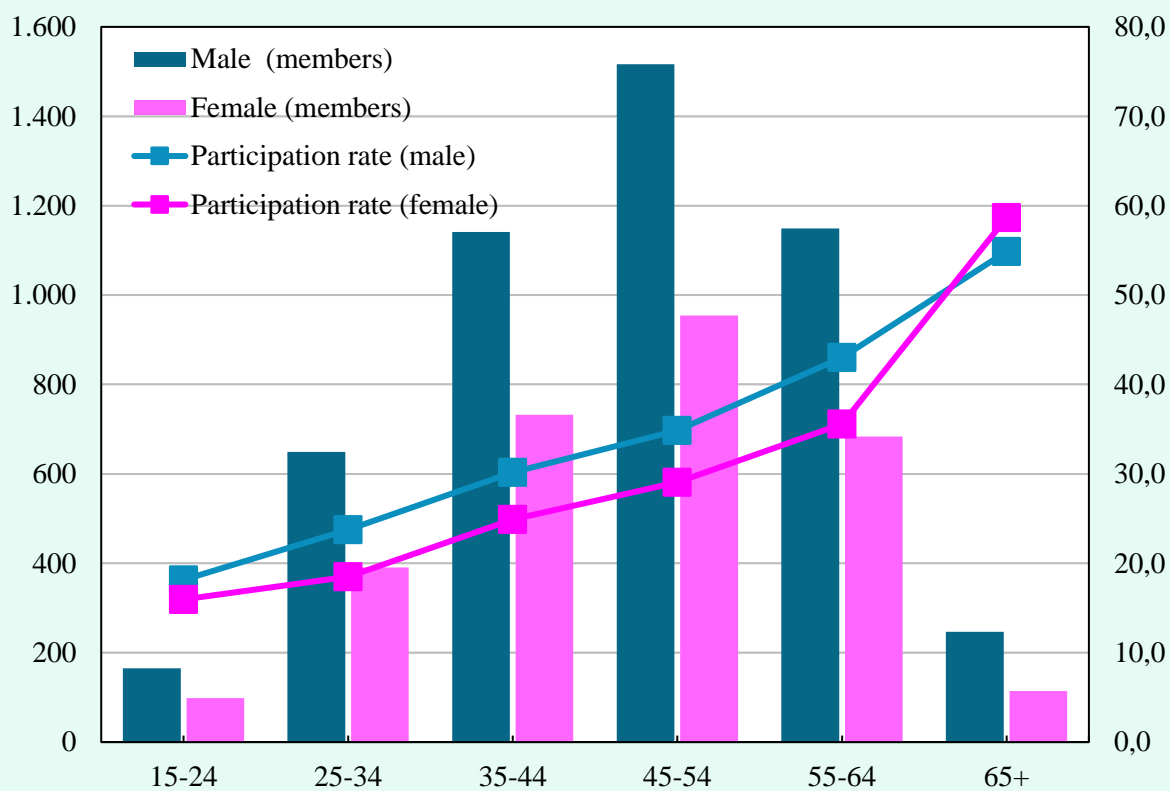


Table 8

Private Pension System - Members, workforce and participation rate by age group and gender
(end-2018 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-2018 data; members as a percentage of the labour force)

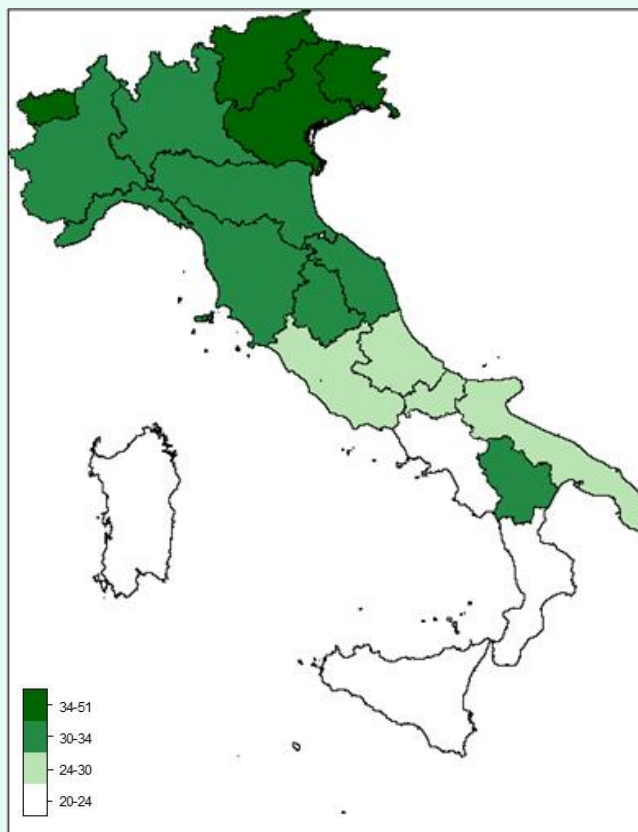


Table 10

Private Pension System – Members by type of pension fund and region <i>(end-2018 data; percentage composition)</i>					
	Contractual Pension Funds	Open Pension Funds	Pre-existing Pension Funds	“New” PIPs	Total
Piemonte	7.8	9.6	8.4	8.6	8.5
Valle d’Aosta	0.4	0.3	0.3	0.2	0.3
Lombardia	20.2	20.8	30.7	18.1	20.1
Liguria	2.4	3.1	2.2	2.9	2.7
North-West Italy	30.9	33.8	41.7	29.8	31.7
Veneto	10.6	10.6	8.1	11.2	10.6
Trentino-Alto Adige	5.0	5.9	1.8	1.4	3.4
Friuli-Venezia Giulia	2.0	3.4	2.6	2.7	2.6
Emilia-Romagna	8.0	9.5	9.2	8.7	8.6
North-East Italy	25.7	29.3	21.6	24.1	25.1
Toscana	6.3	8.7	5.8	7.6	7.1
Umbria	1.4	1.4	1.0	1.9	1.6
Marche	2.1	2.8	2.0	3.5	2.8
Lazio	8.9	6.1	12.2	7.8	8.4
Central Italy	18.7	19.0	21.1	20.8	19.8
Abruzzo	2.3	1.3	1.4	2.3	2.1
Molise	0.5	0.3	0.2	0.6	0.5
Campania	6.7	4.8	4.1	5.9	6.0
Puglia	4.6	3.9	3.0	5.3	4.7
Basilicata	0.9	0.6	0.4	0.9	0.8
Calabria	2.1	1.8	1.1	2.3	2.1
Sicilia	5.4	3.9	3.7	5.8	5.3
Sardegna	2.1	1.1	1.3	2.0	1.9
Southern Italy and Islands	24.7	17.7	15.2	25.2	23.3
Total	100.0	100.0	100.0	100.0	100.0
Total includes “old” PIPs.					

Table 11

Private Pension System - Members by professional category, region and gender
(end-2018 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	8.0	9.4	8.5	8.1	9.1	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	17.9	20.5	22.0	21.0	19.9	20.5	20.1
Liguria	3.3	4.1	3.6	2.5	2.6	2.6	2.7	2.8	2.7
North-West Italy	29.1	31.0	29.7	31.3	34.4	32.4	30.9	32.8	31.7
Veneto	9.8	9.0	9.5	10.3	11.6	10.8	10.3	11.1	10.6
Trentino-Alto Adige	2.4	2.2	2.3	3.0	4.1	3.4	3.1	3.9	3.4
Friuli-Venezia Giulia	2.2	2.4	2.3	2.3	2.8	2.5	2.4	2.8	2.6
Emilia-Romagna	9.4	9.9	9.6	7.9	9.7	8.5	8.2	9.2	8.6
North-East Italy	23.8	23.4	23.7	23.5	28.1	25.2	24.0	27.0	25.1
Toscana	9.4	9.6	9.5	6.4	7.2	6.7	6.9	7.5	7.1
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	8.5	8.7	8.3	8.4	8.3
Central Italy	21.9	23.1	22.2	19.1	20.0	19.5	19.5	20.3	19.8
Abruzzo	1.9	2.1	2.0	2.3	1.8	2.1	2.2	1.9	2.1
Molise	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.4	0.5
Campania	6.8	5.5	6.4	6.9	4.1	5.9	6.8	4.7	6.0
Puglia	5.4	4.5	5.1	5.2	3.4	4.5	5.2	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	2.2	2.4	2.1	1.5	1.9	2.2	1.8	2.1
Sicilia	5.3	4.6	5.1	6.0	4.0	5.3	5.8	4.4	5.3
Sardegna	1.8	2.1	1.9	2.0	1.6	1.9	2.0	1.8	1.9
Southern Italy and Islands	25.1	22.5	24.3	25.9	17.4	22.8	25.4	19.8	23.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 12

Private Pension System - Contributions					
<i>(end-2018 data; millions of euros; average contribution per member in euros)</i>					
	Contractual Pension Funds	Open Pension Funds	Pre-existing Pension Funds	“New” PIPs	Total
From employees	4,944	1,333	4,482	2,756	13,525
<i>of which: TFR</i>	3,075	570	1,656	707	6,016
From self-employed workers	13	434	42	878	1,367
Other	105	277	92	634	1,108
Total	5,062	2,044	4,618	4,268	16,000
<i>Memory item:</i>					
Average contribution per member					
<i>Employees</i>	2,080	2,440	7,320	1,930	2,750
<i>Self-employed workers</i>		2,460		2,500	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

Private Pension System – Members and assets			
<i>(end-2018 data; assets in millions of euros; average capital in euros)</i>			
	Members	Assets	Accrued average capital
Contractual Pension Funds	2,948,740	50,410	17,095
Open Pension Funds	1,428,866	19,624	13,734
Pre-existing Pension Fund	613,149	59,699	97,365
“New” PIPs	3,130,147	30,704	9,809
Total	7,631,284	160,519	21,034
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-2018 data; average contribution in euros)

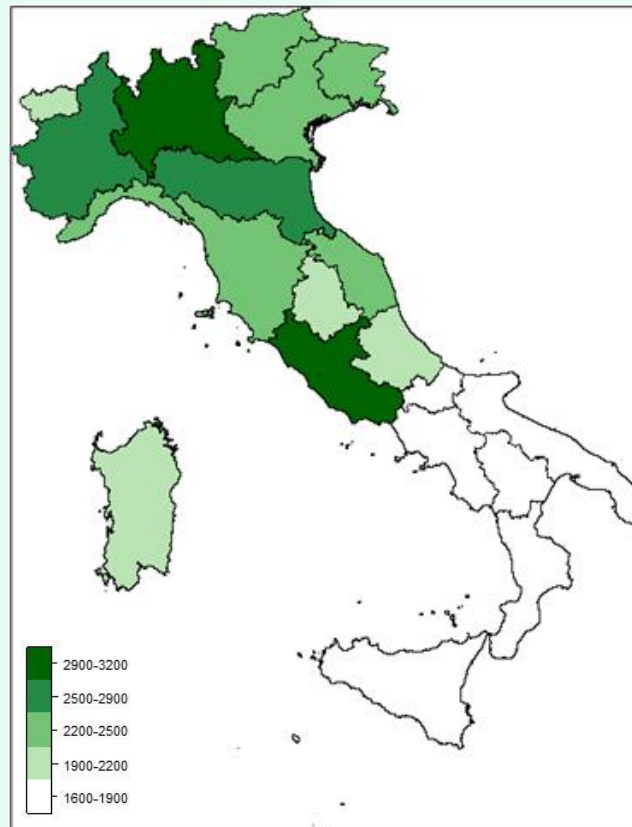


Table 15

Private Pension System - Members by type of pension fund and investment sub-fund
(end-2018 data; percentage composition)

Investment sub-funds	Contractual Pension Funds	Open Pension Funds	“New” PIP	Pre-existing Pension Funds	Total
Guaranteed sub-funds	25.1	20.1	75.8	43.8	43.7
Bond sub-funds	17.5	11.5	4.5	16.0	12.4
Balanced sub-funds	55.7	52.9	12.4	36.9	37.5
Equity sub-funds	1.7	15.5	7.3	3.3	6.4
Total	100.0	100.0	100.0	100.0	100.0

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-2018 data; percentage composition)

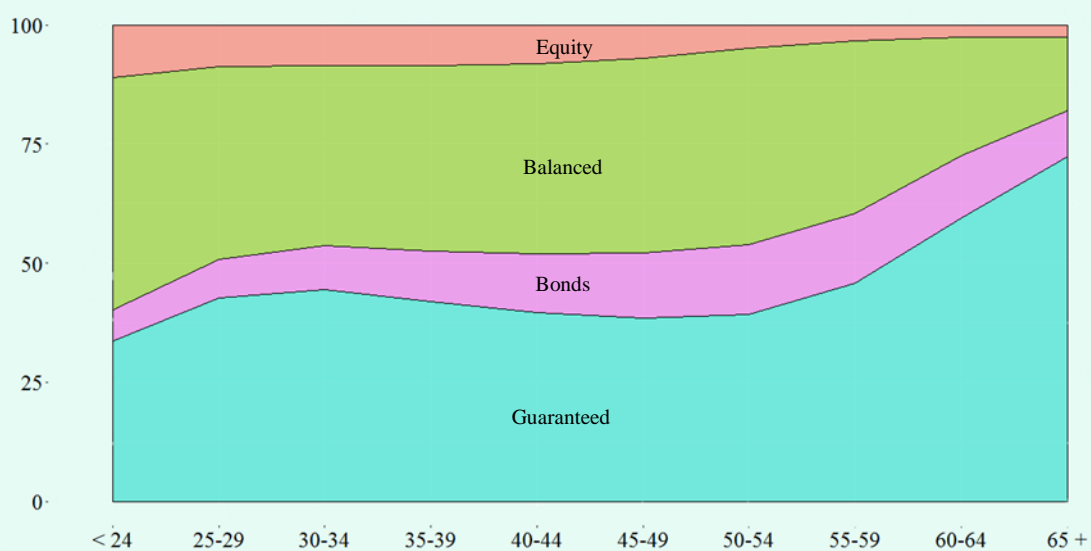


Table 17

Private Pension System - Portfolio allocation by type of pension fund
(end-2018 data, millions of euros; percentage composition)

	Contractual Pension Funds		Open Pension Funds		Pre-existing Pension Funds		“New” PIPs		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Cash and deposit	3,339	6.6	2,729	13.9	2,352	7.5	1,522	4.9	9,944	7.5
Sovereign bonds	23,363	46.3	6,983	35.6	9,285	29.6	15,538	50.1	55,246	41.7
<i>of which: domestic</i>	9,399	18.6	3,836	19.5	4,036	12.9	10,949	35.3	28,296	21.4
Other debt securities	8,932	17.7	1,333	6.8	4,852	15.5	7,498	24.2	22,615	17.1
Equities	9,875	19.6	4,050	20.6	5,001	15.9	2,834	9.1	21,760	16.4
UCITS	4,031	8.0	4,144	21.1	4,540	14.5	3,008	9.7	15,726	11.9
Other Mutual funds	205	0.4	48	0.2	1,980	6.3	267	0.9	2,500	1.9
<i>of which: real estate</i>	43	0.1	3	..	1,363	4.3	162	0.5	1,571	1.2
Real estate	-	-	-	-	1,651	5.3	-	-	1,651	1.2
Shareholdings in real estate companies	-	-	-	-	326	1.0	-	-	326	0.2
Insurance policies	-	-	-	-	1,478	4.7	-	-	1,478	1.1
Other assets and	665	1.3	337	1.7	64	-0.2	332	1.1	1,270	1.0
Total	50,410	100.0	19,624	100.0	31,401	100.0	30,999	100.0	132,516	100.0
<i>Memory item:</i>										
Equity exposure		23.4		40.7		18.0		17.7		23.4

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.

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

Table 18

Pension Funds and “New” PIPs - Compounded average net annual rates of return (percentage composition)						
	31.12.2017- 31.12.2018	31.12.2016- 31.12.2018	31.12.2015- 31.12.2018	31.12.2013- 31.12.2018	31.12.2008- 31.12.2018	31.12.1999- 31.12.2018
	1 year	2 years	3 years	5 years	10 years	19 years
Contractual Pension	-2.5	0.1	0.9	2.5	3.7	3.1
<i>Guaranteed sub-funds</i>	-1.1	-0.2	0.2	1.4	2.2	-
<i>Bond sub-funds</i>	-0.6	-0.4	-0.2	0.2	1.0	-
<i>Mixed Bond sub-funds</i>	-2.4	0.1	1.1	2.8	4.0	-
<i>Balanced sub-funds</i>	-2.8	0.1	1.1	2.9	4.3	-
<i>Equity sub-funds</i>	-5.3	0.2	1.6	3.8	6.1	-
Open Pension Funds	-4.5	-0.7	0.3	2.2	4.1	2.0
<i>Guaranteed sub-funds</i>	-1.8	-0.6	-0.2	0.9	1.8	2.4
<i>Bond sub-funds</i>	-0.8	-0.6	0.2	1.6	2.1	2.9
<i>Mixed bond sub-funds</i>	-1.8	-0.7	-0.1	1.9	3.1	2.9
<i>Balanced sub-funds</i>	-4.8	-0.7	0.5	2.7	4.6	2.5
<i>Equity sub-funds</i>	-8.0	-0.7	0.5	3.0	5.9	1.6
“New” PIPs						
Traditional Life Policies	1.7	1.8	1.9	2.2	2.7	-
Unit linked	-6.5	-2.2	-0.3	1.8	4.0	-
<i>Bond sub-funds</i>	-1.4	-1.1	-0.6	0.4	1.2	-
<i>Balanced sub-funds</i>	-5.9	-1.9	-0.8	1.5	2.6	-
<i>Equity sub-funds</i>	-8.9	-3.0	-0.1	2.2	5.4	-
<i>Memory Item:</i>						
TFR Revaluation Rate	1.9	1.8	1.7	1.5	2.0	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 19

Pension Funds and “New” PIPs - Synthetic Cost Indicator
(end-2018 data; percentage composition)

	Synthetic Cost Indicator (SCI)			
	2 years	5 year	10 years	35 years
Contractual Pension Funds	1.07	0.57	0.39	0.26
<i>Minimum</i>	0.47	0.30	0.18	0.08
<i>Maximum</i>	3.04	1.35	0.81	0.48
Open Pension Funds	2.37	1.58	1.37	1.24
<i>Minimum</i>	0.55	0.55	0.55	0.55
<i>Maximum</i>	5.14	3.42	2.82	2.38
“New” PIPs	3.87	2.67	2.21	1.83
<i>Minimum</i>	1.04	0.85	0.58	0.38
<i>Maximum</i>	6.44	4.82	4.07	3.44

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

Table 20

Pension Funds and “New” PIPs - Synthetic Cost Indicator (10 years)
(end-2018 data; per cent)

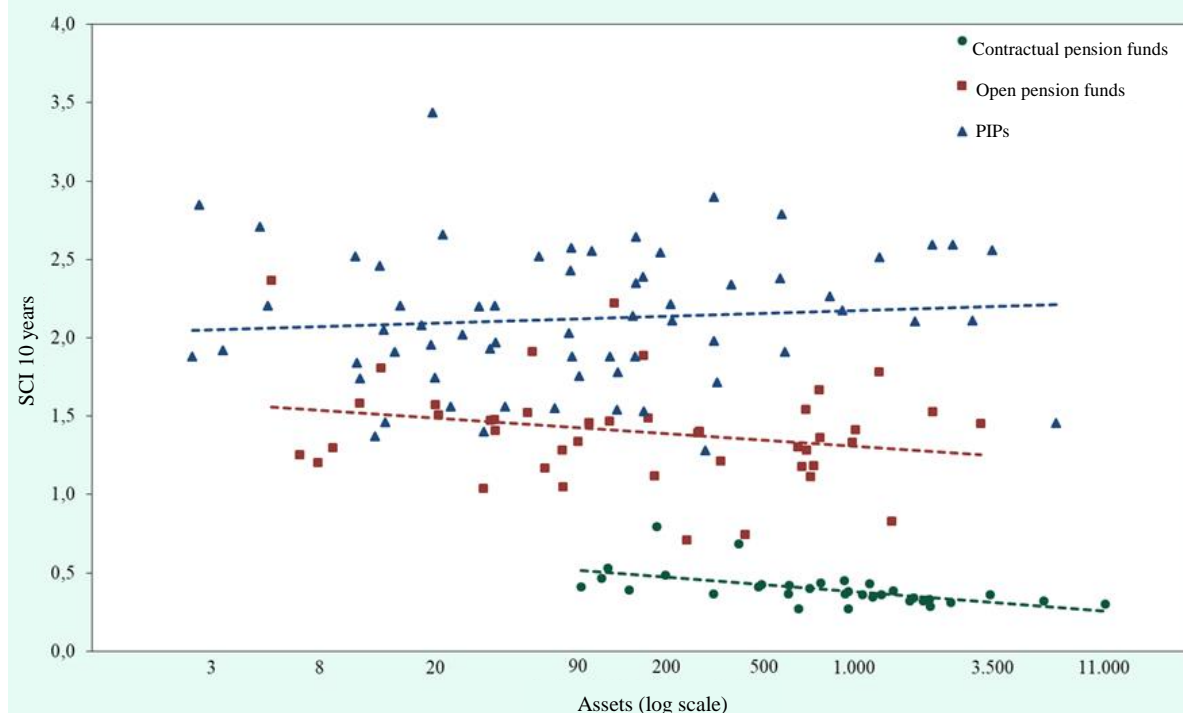


Table 21

Pension Funds and “New” PIPs - Synthetic Cost Indicator by type of investment sub-fund
(end-2018 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	1.09	0.63	0.46	0.34
	Open Pension Funds	2.28	1.44	1.22	1.08
	“New” PIPs	3.67	2.39	1.88	1.47
Bond sub-funds	Contractual Pension Funds	1.09	0.55	0.36	0.21
	Open Pension Funds	2.02	1.31	1.12	1.00
	“New” PIPs	3.45	2.36	1.91	1.58
Balanced sub-funds	Contractual Pension Funds	1.02	0.53	0.35	0.22
	Open Pension Funds	2.51	1.69	1.47	1.34
	“New” PIPs	3.60	2.60	2.24	1.96
Equity sub-funds	Contractual Pension Funds	1.13	0.58	0.38	0.22
	Open Pension Funds	2.72	1.93	1.71	1.59
	“New” PIPs	4.51	3.23	2.71	2.30

“New” PIPs’ guaranteed sub-funds are with-profit products.

Table 22

Pension Funds and “New” PIPs – Synthetic Cost Indicator (10 years) in the period 2008-2018 by type of investment sub-fund
(end 2018 data; per cent)

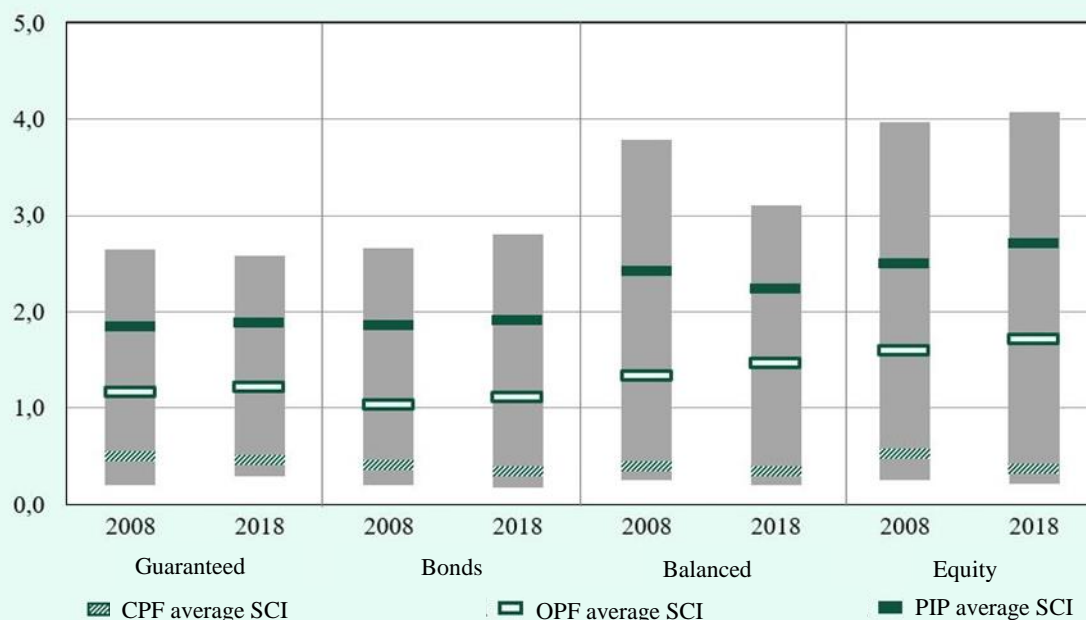


Table 23

Contractual Pension Funds – Individual accounts by professional category and type of pension fund <i>(end-2018 data)</i>						
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	307,656	-	-	30,853	338,509
Industry-wide pension funds	22	2,154,744	146,314	5,287	141,107	2,447,452
Regional pension funds	3	138,133	51,730	427	26,070	216,360
Total	33	2,600,533	198,044	5,714	198,030	3,002,321

Table 24

Contractual Pension Funds – Number of sub-funds and assets by type of investment sub-fund <i>(end period data)</i>				
Type of investment sub-fund	Number of sub-funds		Assets - % composition	
	2017	2018	2017	2018
Guaranteed sub-funds	36	34	14.7	15.2
Bond sub-funds	3	3	2.5	2.6
Mixed bond sub-funds	18	18	24.3	26.4
Balanced sub-funds	36	34	55.0	52.1
Equity sub-funds	12	13	3.5	3.7
Total	105	102	100.0	100.0

Table 25

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			
	2017	2018	2017	2018	2017		2018	
					Amount	%	Amount	%
Domestic financial intermediaries								
Insurance companies	3	3	26	25	4,792	9.6	5,134	10.3
Asset management companies	13	12	115	122	18,081	36.2	17,752	35.5
Investment companies	1	1	1	1	190	0.4	208	0.4
Banks	2	2	17	19	4,648	9.3	4,569	9.1
Total	19	18	159	167	27,711	55.6	27,663	55.3
Other EU financial intermediaries	21	25	97	105	22,172	44.4	22,396	44.7
Total	40	43	256	272	49,883	100.0	50,059	100.0
<i>Memory Item:</i>								
Assets directly managed by pension funds					117		173	
Total assets					50,000		50,232	

FONDINPS is included.

Table 26

Contractual Pension Funds - Main data (individual accounts, potential members, participation rate and assets)
(end-2018 data)

Registration number	Name of pension fund	Individual accounts		Potential Members	Participation rate (%)	Assets (millions of euros)
		Number	Percentage change			
61	COMETA	410,316	3.2	1,000,000	41.0	10,957
1	FONCHIM	158,443	2.4	191,500	82.7	6,229
123	FON.TE	219,677	3.9	2,500,000	8.8	3,819
93	LABORFONDS	121,255	3.3	245,000	49.5	2,653
143	FONDOPOSTE	96,132	0.1	124,881	77.0	2,200
2	FONDENERGIA	43,083	2	47,600	90.5	2,181
99	FOPEN	45,842	0.3	45,931	99.8	2,052
170	PREVIDENZA COOPERATIVA	111,027	-	349,311	31.8	1,895
103	TELEMACO	57,880	-0.6	150,000	38.6	1,821
139	PRIAMO	105,828	14	230,000	46.0	1,567
89	ALIFOND	47,036	0.1	248,000	19.0	1,401
125	GOMMA PLASTICA	49,856	0.6	100,000	49.9	1,296
87	SOLIDARIETA' VENETO	87,920	25.4	891,000	9.9	1,261
117	PREVIMODA	59,729	2.8	400,000	14.9	1,181
145	ESPERO	100,355	-0.4	1,200,000	8.4	1,039
129	EUROFER	74,360	4.3	90,000	82.6	1,035
100	PEGASO	32,086	2.2	50,000	64.2	1,010
88	PREVIAMBIENTE	79,133	59.8	250,000	31.7	1,002
124	BYBLOS	36,372	0.3	200,000	18.2	802
116	FONDAPI	60,745	8.7	500,000	12.1	727
136	PREVEDI	838,133	12.5	400,000	100.0	656
106	ARCO	28,264	-2.5	232,050	12.2	603
3	QUADRI E CAPI FIAT	12,006	0.1	15,112	79.4	599
127	PREVAER	12,959	2.3	31,000	41.8	468
107	FONCER	13,994	0.6	29,600	47.3	454
167	FONDAEREO	6,501	0.5	7,929	82.0	380
148	ASTRI	16,619	6.7	16,619	100.0	301
122	CONCRETO	5,747	-2.7	8,500	67.6	193
77	FONDOSANITA'	6,475	8.6	804,000	0.8	179
142	FONDEMAIN	7,143	-0.4	28,000	25.5	139
164	PERSEO SIRIO	46,044	10.5	1,571,382	2.9	114
126	MEDIAFOND	2,747	1.2	8,500	32.3	108
157	AGRIFONDO	8,614	0.2	330,000	2.6	89
TOTAL: 33		3,002,321	7.0			50,410

Table 27

Open Pension Funds - Market Structure <i>(end period data)</i>							
	2017			2018			
	Number of financial intermediaries	Number of funds/ sub-funds	Assets (%)	Number of financial intermediaries	Number of funds/ sub-funds	Assets (%)	
Type of financial intermediaries							
Insurance companies	25	33	56.7	25	33	56.9	
Banks	1	1	3.1	1	1	3.3	
Asset management companies	9	9	40.2	8	9	39.8	
Investment companies	-	-	-	-	-	-	
Total	35	43	100.0	34	43	100.0	
<i>Memory item:</i>							
Open Pension Funds managed by the 5 larger financial conglomerates (in terms of members)		12	59.8		13	62.7	
Investment sub-funds							
Guaranteed sub-funds		48	22.7		48	23.7	
Bond sub-funds		27	3.6		25	3.6	
Mixed bond sub-funds		21	7.1		21	7.2	
Balanced sub-funds		59	45.3		55	45.2	
Equity sub-funds		39	21.3		41	20.3	
Total		194	100.0		190	100.0	
Investment sub-funds by asset size							
> 100 million of euros		47	76.7		52	81.4	
10 to 100 million of euros		96	22.2		83	17.4	
< 10 million of euros		51	1.1		55	1.2	

Table 28

“New” PIPs - Market structure <i>(end period data)</i>		
	2017	2018
Number of “new” PIPs	77	70
Number of insurance companies	35	33
	ANDP (%)	ANDP (%)
Investment lines		
Traditional life policies	74.9	76.9
Unit-linked	25.1	23.1
<i>Bond investment lines</i>	4.6	4.4
<i>Balanced investment lines</i>	8.6	8.3
<i>Equity investment lines</i>	11.9	10.4
Total	100.0	100.0
Investment lines by assets size		
> 500 million of euros	62.7	70.0
25 to 500 million of euro	32.6	27.4
< 25 million of euros	4.7	2.6
<i>Memory Item:</i>		
PIPs of the 5 larger insurance undertakings (in terms of members)	81.0	80.6

Table 29

Pre-existing Pension Funds - Number of pension funds by fund regime (end period data)						
Pension fund regime	2017			2018		
	Autonomous	Non-autonomous	Total	Autonomous	Non-autonomous	Total
Defined contribution pension funds	140	2	142	137	2	139
<i>of which: pension funds which pay annuities directly</i>	5	-	5	5	-	5
Defined benefit pension funds	16	73	90	19	70	89
Hybrid pension funds	18	10	27	14	9	23
Total	174	85	259	170	81	251

Table 30

Pre-existing Pension Funds - Assets (end period data; assets in millions of euro)		
	2017	2018
Autonomous pension funds	57,377	58,299
<i>Of which:</i>		
<i>Technical provisions within insurance companies</i>	25,685	26,898
Non-autonomous pension funds	1,619	1,400
<i>internal to banks</i>	1,227	1,043
<i>internal to insurance undertakings</i>	22	18
<i>internal to non-financial institutions</i>	371	339
Total	58,996	59,699

Table 31

Autonomous Pre-existing Pension Funds - Type of asset management (end period data; percentage composition)		
	2017	2018
Assets directly managed by pension funds	35.3	32.8
Assets managed by financial intermediaries	64.7	67.2
Total	100.0	100.0

Table 32

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
2018	33	43	251	70	-	398

FONDIPNS is included

Table 33

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	1,374,238	643,947	3,104,436	390,311	8,299,835
2018	3,002,321	1,462,072	650,309	3,275,536	370,337	8,740,239

FONDINPS is included in the total.

Table 34

Private Pension System - Time series -Assets (end period data; millions of euro)						
Years	Contractual Pension Funds	Open Pension Funds	Pre-existing Pension Funds	“New” PIPs	“Old” PIPs	Total
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
2018	50,410	19,624	59,699	30,704	6,626	167,145

FONDINPS is included.

Table 35

Private Pension System - Time series - Rates of return*(per cent)*

Years	Contractual Pension Funds	Open Pension Funds	“New” PIPs Traditional Life Policies	“New” PIPs United-linked	TFR revaluation rate
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
2018	-2.5	-4.5	1.7	-6.5	1.9

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 of 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) 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. 147 of 2018: implementation of Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs), also called “IORP2 Directive”.

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.