made several attempts, including introducing the temporary 'Quota 100' measure, to soften its effects.

'Quota 100' took its name from the sum of the minimum requirements to retire early. These are: 62 years of age; and 38 years of contributions to the first-pillar system. The measure was approved in 2018 by the former anti-establishment government coalition amid fierce debate because of its extra cost for the government budget.

It had a lower impact than originally foreseen, with fewer workers taking advantage of the opportunity to retire early than predicted, due to the negative impact on benefits. Those who took advantage of the measure saw their pension benefit reduced by 10%, points out Brambilla.

As planned, the temporary measure will be discontinued, but there are several other options for workers to retire early.

Claudio Pinna, head of Aon's retirement consulting business in Italy, says: "One of the main lessons taught by the pandemic is about the importance of social sustainability. Therefore, companies that want to restructure their businesses by retiring older workers are incentivised to do so in a way that protects their welfare. Thankfully the tools for them to achieve that objective are available."

Firing and hiring

As part of the response to COVID-19, the government scaled up the contratto di espansione, a measure that allows companies to retire workers five years before they reach retirement age. The companies must then pay the workers the equivalent of state pension benefits until they reach the statutory retirement age. For companies to benefit from this measure they must also employ a number of younger workers.

A similar measure predating COVID-19, known as isopensione, allows workers to retire up to four years before the statutory retirement age under certain circumstances. This tool was also enhanced as workers can retire seven years prior to retirement age until 2023. However, this measure is more onerous compared with the 'contratto di espansione'.

There are also talks about expanding the scope fondi di solidarietà (solidarity funds) to achieve the same purpose. These are established by agreements between trade unions and employers' organisations, financed by relatively small contributions from both employees and employers and used to finance early-retirement benefits. So far, these funds have been set up within certain industries, such as banking and insurance, but theoretically they could be created for other sectors.

Itinerari Previdenziali's Brambilla says: "There is great flexibility to accommodate companies' restructuring needs by retiring older workers and replacing them with younger ones.

"The state will have to deal with workers

"ONE OF THE LESSONS TAUGHT BY THE PANDEMIC IS THE IMPORTANCE OF SOCIAL SUSTAINABILITY"

who face redundancy but cannot benefit from any of those opportunities, which thankfully is relatively low. But there is a need to maintain the flexibility for an early exit from the labour market, without making workers worse off in terms of retirement benefit levels and while keeping public expenditure in check."

The solution, according to Brambilla, is to expand the use of solidarity funds further but also to streamline the current options for early retirement. At present, working in retirement is prohibited – a situation that should be discontinued, according to Brambilla.

ITALY: KEY DATA

Pension assets: €195.9bn

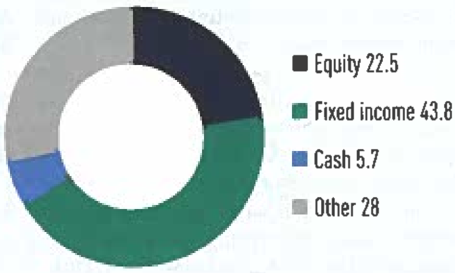
Occupational pension assets as % of GDP: 9.8%

Working population: 25.1m

Projected old-age dependency ratio: 61.5

Gross average replacement rate: 79.5%

Asset allocation (%)



Sources: Pension assets – IPE research; Occupational pension assets as % of GDP – OECD 2021; Working population – Data as of end 2020. World Bank; Projected old-age dependency ratio 2050 per 100 people – Eurostat 2020; Gross average replacement rate – OECD Pensions at a Glance, 2019; Asset allocation – OECD Pension Funds in Figures, 2021

Top pension funds

	Pension fund/entity	Assets (€'000)
1	Fondazione ENPAM	25,150,000
2	Cassa Nazionale di Prev. e Assist. Forense	13,832,073
3	Previndai-Fondo Pensione	12,948,508
4	Fondo Pensione COMETA	12,677,980
5	Inarcassa	11,925,637
6	CNPADC	9,314,900
7	Fondazione Enasarco	7,984,000
8	FONCHIM	7,466,914
9	Intesa Sanpaolo SpA	7,138,940
10	Arca Previdenza	5,496,851
11	UniCredit Group	4,766,751
12	Fondo Pensione FonTe	4,644,692
13	Fondo di Previdenza Mario Negri	3,431,185
14	Laborfonds	3,338,304
15	Previp	2,969,237
16	ENPAF	2,814,920
17	Fondenergia	2,734,434
18	Fondoposte	2,699,777
19	Fondo Pens. Nazio Banche di Credito Coop.	2,638,207
20	Cassa Italiana Prev. e Assistenza Geometri	2,523,477

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