EURO**MOD**

COUNTRY REPORT

ITALY (IT)

2020–2023

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EUROMOD version I6.0+

EUROMOD is the tax-benefit microsimulation model for the European Union (EU). It enables researchers and policy analysts to calculate, in a comparable manner, the effects of taxes and benefits on household incomes and work incentives for the population of each country and for the EU as a whole.

EUROMOD covers the 27 Member States and is yearly updated to cover the most recent changes in countries´ policy systems. It uses input databases which are also updated on a yearly basis, coming mainly from the European Union Statistics on Income and Living Conditions (EU-SILC). The model yearly update is supported the following Directorate-Generals of the European Commission: DG EMPL, DG ECFIN, DG TAXUD, DG REFORM, DG JRC, DG ESTAT.

Originally maintained, developed and managed by the Institute for Social and Economic Research (ISER), since 2021 these responsibilities are taken over by the Joint Research Centre (JRC) of the European Commission, in collaboration with EUROSTAT and 27 national teams from the EU countries.

The EUROMOD governance structure consists of a Steering Committee, allowing partner DGs to monitor the process of EUROMOD update, and a Scientific Advisory Board to monitor and guide the scientific development of the model.

This report documents the work done in the most recent annual update for Italy. This work was carried out by the EUROMOD core development team, based at the Joint Research Centre in Seville, in collaboration with the national team.

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The results presented in this report are derived using EUROMOD version I6.0+. EUROMOD is continually being improved and the results presented here may not match those that would be obtained with earlier or later versions of EUROMOD.

For more information see https://euromod-web.jrc.ec.europa.eu/

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INTRODUCTION

This country report gives an overview of the Italian country component of EUROMOD. The report presents the basic information on the Italian tax-benefit system valid in 2020-23 (as of 30th June in corresponding year, if not differently specified), it explains which taxes and benefits are simulated in EUROMOD, together with the key aspects of implementation, and how well the model represents actual income distribution and monetary aggregates.

The current Italian country model uses the Italian Statistics on Income and Living conditions 2021 (IT-SILC), which is the national component of EU-SILC survey with more detailed variables.

The report adds to and builds on the earlier reports:
i.   Ceriani and Gigliarano (2010), which covered policy years 2005-2008 based on the Italian Statistics of Income and Living conditions 2006
ii.   Ceriani and Gigliarano (2011), which covered policy years 2006-2009 based on the Italian Statistics of Income and Living conditions 2007
iii. Ceriani, Figari and Fiorio (2012), which covered policy years 2007-2010 based on the Italian Statistics of Income and Living conditions 2008
iv.   Ceriani, Figari and Fiorio (2013), which covered policy years 2009-2012 based on the Italian Statistics of Income and Living conditions 2010
v.   Ceriani, Figari and Fiorio (2014), which covered policy years 2009-2013 based on the Italian Statistics of Income and Living conditions 2010
vi.   Ceriani, Figari and Fiorio (2015), which covered policy years 2011-2015 based on the Italian Statistics of Income and Living conditions 2012
vii.   Ceriani, Figari and Fiorio (2016), which covered policy years 2013-2016 based on the Italian Statistics of Income and Living conditions 2014
viii.   Ceriani, Figari and Fiorio (2017), which covered policy years 2014-2017 based on the Italian Statistics of Income and Living conditions 2015
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xi.   Ceriani, Figari and Fiorio (2020), which covered policy years 2017-2020 based on the Italian Statistics of Income and Living conditions 2018
xii.   Ceriani, Figari and Fiorio (2021), which covered policy years 2018-2021 based on the Italian Statistics of Income and Living conditions 2019
xiii. Ceriani, Figari and Fiorio (2022), which covered policy years 2019-2022 based on the Italian Statistics of Income and Living conditions 2020

The current report provides information on the new dataset, updates information on policy rules as well as validation results. Major changes have been also made in the structure of the report.

1.   BASIC INFORMATION

1.1   Basic information about the tax-benefit system

- The tax-benefit system is a national system, with some differences among Regions and Municipalities due to some local autonomy, mainly related to the *Personal Income Regional Additional Tax* and the complex system of *Local Property Taxes*.
- Starting from the 7th April 2011, the public policy calendar has changed, according to the European Semester approved by Ecofin. Starting from then, the tax system is mainly modified by the *Stability Law* (Disegno di Legge di Stabilita') by the 15th of October, and

by the *Associated Government Bills* (Disegni di Legge Collegati) approved by the 31st of January each year.

- The State pension age in 2009 was 58 both for men and women. Starting for the 1st January 2012 the rules changed substantially. Male employees of the private sector, self-employed and temporary workers ("para-subordinati"): 66 years. Male and female civil servants: 66 years; Female employees of the private sector: 62 years; Female self-employed and temporary workers ("para-subordinate"): 63 years and 6 months. The retirement age is subject to a gradual increment depending on the evolution of life expectancy: it is at 67 years for both men and women in 2022. New rules have been introduced with the Budget Law 2018 which introduced thee possibility to retire for individuals with the sum of age and contributory years equal to 100 (i.e. "Quota 100") for three years 2019-2021.
- Starting from the Academic year 2010/2011, mandatory education requires achieving upper secondary degree or a vocational degree of at least three years duration within age 18. A 15 years old child can start working and completing her mandatory education by a year of apprenticeship.
- Since 2019, a child is defined *dependent child* if she has an income of less than 2.840,51 euro (as it was previously without implications related to the age) or less than 4.000 euro if younger than 24 years old.
- The income tax system is individual.
- Incomes from capital gains and return on capital are mainly subject to separate taxation
- By the 31st July each year taxpayers must fill their *Personal Income Tax* return with respect to incomes received the previous calendar year.
- The tax system does not provide any indexation. Thresholds for means-tested benefits and contributions are yearly updated by the National Statistical Office taking into account the consumer price index for working class households.
- The means-tested benefit system (mainly at local level) assesses entitlement according to benefit unit income and, in some cases, according to a combination of income and wealth (*ISEE – Indicatore della Situazione Economica Equivalente, reformed since January 2015*). The benefit unit is the family, made of the couple, or the lone parent plus all the dependent family members.
- Since 2019 a new minimum income scheme at national level is in place (i.e. *Reddito di Cittadinanza*) based on *ISEE* but in 2023 it is payable for a maximum of 7 months. It will be replaced by different instruments from January 2024.
- Since 2022 a new Universal Unique Allowance (Assegno Unico Universale) is granted to families with children

1.2 Social Benefits

Seeking for clearly and completeness, which is a challenging task in a complex and fragmented system as the Italian one, we describe the bundle of social benefits using the following classification criteria:
- **Social Insurance**
  - *Benefits related to the end of the working activity*
  - *Benefits related to the temporary suspension of the working activity*
  - *Benefits related to the reduction in working ability, family and social allowances*
  - *Other benefits*
- **Social Assistance**
  - *Family Support*
  - *Pro-poor allowances*
  - *Benefits related to the reduction in working ability*
  - *Other benefits*

We adopted the traditional distinction between Social Insurance and Social Assistance based on the financing means: the first one is funded by workers' contributions and the benefits are therefore linked to the individuals salary history; the second one, instead, is inspired by a

condition of need of the recipient, and the benefit is disconnected with any contribution or working history.

Here we are not concerned about the fund's source, which can be either the National Institute of Social Security (*INPS)*, the State or the Local Institutions (Regions, Provinces and Municipalities).

1.2.1   Social Insurance: Benefits related to the end of the working activity

Old-Age Pension *(Pensioni di Vecchiaia – poa)*

The old-age pension is related to a *pay-as-you-go* social security program. The old-age pension is obtained when three conditions are contemporarily fulfilled: (i) age; (ii) minimum contribution; (iii) end of working activity (this last condition does not hold for self-employed individuals). The system has been radically changed in 1995 from a retributive to a contributive one. Under the contributive system, the pension is linked to the individual contribution righted up by applying a rate related to the gross domestic product's growth.

With the Monti-Fornero reform, from January 2012 all pensions are calculated according to the contributive system and the retirement age is subject to a gradual increment subject to adjustments depending on the evolution of life expectancy. It is set at 67 years in 2022 for both men and women.

Invalidity Pension *(Pensioni di Invalidità – phl)*

The invalidity pension is given to employees or self-employed individuals suffering from some physical or mental disease which leads to an inability to work. If the disease reduces the ability to work by one third or more, the worker is entitled to receive the **invalidity benefit** (*assegno di invalidità*). The invalidity benefit is allowed for a period of three years and it can be renewed if the inability persists. After three extensions it is automatically renewed. If, instead, the working ability is totally cleared, the worker is entitled to receive the **inability pension** (*pensione di inabilità*).

Survivors' Pension *(Pensioni ai Superstiti – psu)*

The survivors' pension is the benefit due to eligible family members of a deceased insured worker or retired individual.

Eligible family members are:

- the spouse, also if separated or divorced but not re-married;
- dependent children (natural, adoptive, legitimate, in-low), who are minor, students and disable;
- dependent grandchildren;
- 65 years old parents, if there are no eligible spouse, dependent children or grandchildren;
- unmarried brothers and sisters if there are none of the above.

Quotes of pension differ among eligible members and the pension could be reduced over given amounts.

Unemployment benefit *(Indennita' di disoccupazione – bunct02)*

In the Italian system we count five unemployment benefits:

- The **ordinary unemployment benefit** (*indennità di disoccupazione ordinaria*);
- The **unemployment benefit with minor requirements** (*indennità di disoccupazione con requisiti ridotti*);
- The **ordinary agricultural unemployment benefit** (*indennità di disoccupazione agricola ordinaria*);
- The **agricultural unemployment benefit with minor requirements** (*indennità di disoccupazione agricola con requisiti ridotti*);
- The **special benefit for agricultural and building unemployment** (*trattamenti speciali per disoccupazione agricola ed edilizia*)

The unemployment benefit is granted to insured employees who have been dismissed. The benefit is not granted to resigned employees, unless the resignation is due to *good cause* as, for example, missed wage payment, sexual harrasment, mobbing. The benefit is also given to employees who have been suspended for transitory reasons and causes not due to employers or employees behaviour.

Eligible individuals are employees who have paid (i) contribution against unemployment for at least two years or (ii) 52 weeks of contribution in the two-years period before the date of work suspension.

The benefit amount and the duration of the treatment is different according to the age of the employee. For a detailed description of the ordinary unemployment benefit, we remand to section 2.

The benefit is no more due when the employee (i) has received the benefit for all the allowed days; (ii) starts a new employment; (iii) retires; (iv) refuses an employment proposal with a wage non less than the 20% of the previous one; (v) refuses to be enrolled in social activities; (vi) is ereased from the employment lists.

From 2013 the ordinary unemployment benefit has been replaced by **ASPI (and mini-ASPI)** which is relatively more generous in terms of coverage and adequacy.

Since May 2015 the two instruments have been replaced by **NASPI**.

Procedure for mobility and collective dismissals (*Mobilita' – bunct02*)

The procedure for mobility and collective dismissal is a benefit in favour of employees who (i) have already been granted of redundancy payment for all the allowed period; (ii) have been dismissed as a result of a firm policy of staff reduction or production transformation; (iii) have been dismissed for firm shutdown.

The difference between the procedure for mobility and collective dismissals and the redundancy payment is that the latter is an alternative to the employee dismissal, the former comes after the employee dismissal.

Eligible individuals are employees who: (i) have been hired with a long-term contract; (ii) have been enrolled in the mobility lists made out by the Regional Labour Office on the basis of troubled firms reports; (iii) have at least twelve months service in the same firm; (iv) have worked at least for six months in the same firm.

The duration of the allowance is different according to the age of the employee and the firm geographical position.

In general, the benefit cannot be granted for more than the employee service period.

The benefit amount is proportional to the redundancy payment that the employee received (or would be entitled to receive) in the period right before the dismissal.

1.2.2 Social Insurance: Benefits related to the temporary suspension of the working activity

Redundancy payment (*Cassa Integrazione Guadagni – bunct01*)

The Redundancy payment is a benefit in favour of troubled firms which provides to employees an income substitute for wage income.

There are types of redundancy payments:

- The **ordinary redundancy payment** (*cassa integrazione ordinaria*)
- The **extra-ordinary redundancy payment** (*cassa integrazione straordinaria*)
- The **building redundancy payment** (*cassa integrazione edilizia*)

Eligible individuals are blue collars, white collars and executives (apprentices excluded) whenever working activity is suspended or reduced because of (i) transitory reasons and causes not due to employers or employees behaviour; (ii) temporary market stagnation.

The benefit amount is the 80% of the gross wage, subject to upper limits, for the lost working hours. For the majority of firms the redundancy payment is granted for a maximum period of 13 weeks to 12 months (according to possible extensions).

Salary supplement for agriculture workers *(Integrazioni salariali a favore dei lavoratori agricoli – Included in bunct01)*

It is an instrument for supporting firms when it is not possible to carry on working and for pledging some income to the employees. Eligible individuals are employees (blu collars, white collars and executives) working full time in farms for at least 180 days per year.

The benefit amount is equal to the 80% of the wage received in the month before the working suspension, subject to upper limits, and it is granted for at most 90 days. The benefit is directly paid by INPS to the employees.

Marriage leave *(Assegno per congedo matrimoniale – Included in yem)*

It is a benefit granted for the wedding of an employee. Entitled individuals are: (i) employed individuals (not white collars) working in manufacture and industrial sector or a cooperative society (also workers at home and apprentices) simple soldiers and non-commissioned officers who have been working at the wedding day from at least one week; (ii) workers and seamen who resigned to get married; (iii) unemployed workers and seamen who at the wedding day have worked at least 15 days in the previous 90; (iv) seamen at military service who have been enrolled for 15 days in the 90 before the recall to arms or the end of the draft. Both spouses are granted if one is entitled. The amount is given without income test and it is equal to seven salary days (eight for seamen). Employers, on behalf of INPS, pay out the benefit at the beginning of the leave period. For unemployed individuals or called to arms it is paid by INPS.

1.2.3   Social Insurance: Benefits related to the reduction in working ability, family and social allowances[1]

Sickness leave *(Indennità di Malattia – Included in yem)*

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[1] In addition to the benefits listed in the section.
Special Sickness allowances *(Indennità e assegni per malattia speciale).* It is an allowance substitute for the wage granted to employees and family members suffering of tuberculosis. The cost is beared by INPS, while the national health system covers the sanitary assistance. Eligible individuals have at least a year of contribution, then other conditions apply according to the type of allowance. The **daily allowance** (€ 12 or € 6 for the family members) is due to the worker who does not receive the full wage during the hospital or outpatient treatments. The **post-sanatorium allowance** (€ 20 or € 10 for the family members) is due to recovered or stabilized individuals after an hospitalization of no less than 60 days, or after an outpatient treatment which lasted at least 60 days and the worker did not work for 60 days, or after a treatment both at hospital and outpatient of at least 60 days. The **treatment or support allowance** (€ 80.67 in 2009) is supplied for two (renewable) years to workers affected by tuberculosis whose earning capacity is reduced by more than one third and who do not receive a continuative full-time wage. The **Christmas allowance** is given to individuals who have benefited in the month of December of at least one day of tuberculosis benefit, and the amount equals 30 days of the most favorable benefit received in December.
Death Allowance *(Rendita per morte).* If the accident at work causes the employee death, the family members are entitled to receive an allowance equal to the 100% of previous year wage, divided as following: 50% to the spouse and 20% to each child (in any case it cannot exceed the 100% of the wage).
Hours of Rest *(Riposi orari, ex allattamento).* Within the first year of age, the mother (also the adoptive mother) is entitled to two hours of rest each day if the working hours are at least six, one if the working hours are less than six. In case of multiple delivery or adoption, the hours of rest are doubled. While, in case the working mother benefits of a childcare supplied by the employee in the working place or close to it, the permit is halved. The hours of rest are in every respect considered as working hours. These hours can be granted also to the working father if it is the only guardian, in alternative to the mother, if the mother is not employed, or if the mother is dead or seriously injured.
Daily permits for blood and spinal cord donors *(Permessi giornalieri per donatori di sangue e midollo).* Blood and spinal cord donors are entitled to receive the full wage for the day they abstain from work to donate. INPS refunds the employers.

The sickness leave is an allowance substitute for the wage which is granted starting for the fourth sickness day of the worker and for no more than 180 days each year. Eligible to receive the benefit are private sector blue-collars, white collars of tertiary and services sectors. Moreover, it is supplied also to unemployed and suspended individuals within 60 days from the end of the working activity (except for short-term workers). The benefit is granted without income test and it is equal to the 50% of the average daily wage for the first 20 days of the sickness period, and to the 66.66% for the subsequent days of sickness related to the same disease or relapse.

Inability Pension *(Pensione di Inabilita' – phl)*

It is a pension owed by employees or self-employed individuals suffering from some physical or mental disease which leads to an inability to work. Entitled individuals have a contributory history of at least five years, three of which paid in the five years before the pension request. Moreover, to be entitled, an individual cannot work, been enrolled in a professional register or in the lists of farmers or self-employed workers.

Inability Allowances for Civil Servants *(phl)*

Civil servants can access to different inability allowances or pensions. In the following we briefly summarize the most important ones.

- **Absolute and Permanent Inability to the assignment** (*Pensione per inabilità assoluta e permanente alla mansione*). The inability to the assignment is limited to the type of task the worker is assigned to, and it gives right to receive the pension only in the case the employee cannot be assigned to a different task at the same working status. Entitled individual (i) have been civil servants for at least 15 years (20 years if enrolled in Local Institutions or Health Institutions), (ii) have been recognized unable to the assignment by a special Committee and (iii) have been dismissed because of the disability. The benefit amount is computed with the same rules as the ordinary old-age pension.

- **Absolute and Permanent Inability to profitable activity** (*Pensione per inabilità assoluta e permanente a proficuo lavoro*) It is granted to workers who have been employed for more than 15 years who suffered by a disability which is not completely disabling, but enough disabling to prevent individuals from being uninterrupted profitably enrolled.

- **Absolute and Permanent Inability to work** (*Pensione per inabilità assoluta e permanente ad attivita' lavorativa*) After the clinic recovery, INAIL (the National Institute for the Insurance against accidents at work) checks whether the worker has been permanently injured and to what extent. If the inability is greater than the 11%, the worker is entitled to receive an allowance proportional to the degree of disability and his wage in the year before the accident. In case of a worsening in the conditions, the worker can ask for a revision of the allowance. The allowance is computed by summing up two components: a workers' compensation for the biological disability and an indemnity for the economic consequences of the accident. Entitled employees have at least five years of contribution.

- **Direct Disability Pension** (*Pensione Diretta Privilegiata*) The direct disability pension is an allowance granted to employee who have been disabled because of the working activity. The benefit amount is proportional to the infirmity extent and ranges from 8/10 to 1/3 of the pensionable wage. Slightly different rates apply to local institutions' servants.

Daily permits for mountain and spelaeological rescuers *(Permessi giornalieri per i volontari del soccorso alpino e speleologico).* Employees voluntary mountain and speleological rescuers are entitled to receive the full wage for the day the leave work. Self-employed individuals are entitled to receive 1/22 or 1/26 of the average monthly earning in the industrial sector, fixed every year by ISTAT.

Up to 2022, Italian law provided a fragmented system of support to parents at the time of childbirth with a series of instruments which can be grouped as follows:

    i)   Maternity\paternity\parental leaves or allowances.
    ii)   Benefits
    iii)   Bonus

In addition, there were several instruments targeted to families with children. In particular:

    i)   Tax credits for dependent children (see *Personal Income Tax, Tax credits*)
    ii)   Family Allowances (*Assegno al Nucleo Familiare*)

Since 2022 a new Unique and Universal Allovance (Assegno Unico e Universale) replaced existing instruments in providing support to families with children (see *Assegno Unico e Universale*)

Maternity\paternity\parental leaves or allowances are instruments (generally channelled as partial or total substitution of wage) targeted to parents either employees (with open ended contract or fixed term and temporary contracts, i.e. *gestione separata*) or self-employed related to maternity\paternity or parental leaves. The most important allowances are the **mandatory maternity leave allowance** (*Indennità per astensione obbligatoria*) and the **parental leave allowance** (*Indennità per astensione facoltativa o congedo parentale*).

Benefits are cash transfers generally means-tested or targeted to particular groups or workers (with atypical or temporary contracts) at the time of the childbirth. The most important schemes are the **new born bonus** (*Assegno di natalità or Bonus bebè,* Section 2.3.7) and the **State** and the **Municipalitiy dependency benefits** (*Assegno di maternità dello Stato e dei comuni*).

Bonus are monetary benefits which can be either substitute of the parental leave (i.e. **Baby-sitting allowance**) or monetary transfers recognised to all mother at the time of childbirth (i.e. **Mother bonus,** Section 2.3.8; **Childcare allowance**) or to parents for children who attend childcare services.

Family leave for severe disability *(Congedo retribuito per assistenza a familiari in condizione di handicap grave – Included in yem)*

It is a benefit granted to (in order of eligibility) employed parents, siblings, children, spouse of an individual affected by severe disability. The benefit is equal to the last wage and comprehends the figurative social security contribution. It is granted for at most two years (consecutive or apportionable) and until an annual maximum which is linked to the average growth rate of the consumer price index for working-class households, elaborated by the National Statistical Office (*ISTAT*). Starting from 2009, the benefit is also granted to the son or daughter living with the severe disabled parent.

1.2.4   Social Insurance: Other Benefits

Compensation benefit *(Pensioni Indennitarie – phl)*

The compensation benefit is given to workers disabled by an industrial accident.

War Pension *(Pensione di Guerra – phl)*

The benefit is given by the Ministry of Economy and Finance to disabled citizens or to eligible family members of a deceased citizen because of war events.

1.2.5   Social Assistance: Family Support

Family Allowance for families with at least three children *(Assegno di sostegno per nuclei familiari con almeno tre figli minori – bchot)*

The Support Benefit for families with at least three children is granted by the municipalities and paid by INPS in 13 monthly instalments. The means testing criterion to be entitled of the benefit was based on the Indicator of Economic Situation (*ISE*) until 2014 and on the ISEE (Indicator of Economic Equivalent Situation, which is equal to the ISE divided by the equivalized dimension of the family) starting in 2015. Monthly Allowance and means test are summarized in the following table.

Year	Montly Allowance	ISEE, €
2020	145,14	8.788,92
2021	145,14	8.788,99

Source: INPS 35/2018, INPS 51/2019, INPS 31/2020, INPS 36/2021

The benefit is suppressed since March, 1st 2022 with the introduction of the AUU (Universal Unique Allowance for Children).

Scholarships and Free Textbooks Supplies *(Fondi destinati all'erogazione di borse di studio in favore degli alunni nell'adempimento dell'obbligo scolastico e nella successiva frequenza della scuola secondaria e fornitura, anche in comodato, dei libri di testo in favore degli alunni della suola secondaria superiore – bed)*

The Ministry of Public Education gives each year funds to the regional scholastic offices to finance scholarships and free textbooks supplies.
For the scholarships, eligible students must be enrolled in primary or secondary State or equally recognized institutions and live in families with poor economic status (the threshold is fixed by each region).

As for the free textbooks supplies, eligible students are enrolled in lower secondary schools (grade 6 to 8) and higher secondary schools. Moreover, they live in families whose income is below the threshold fixed each year by law (15,493 euro in 2009/2010, *Ministry of Education, D.D. 11.06. 2009*).

Note that textbooks for primary education are free of charge for everybody.

1.2.6   Social Assistance: Pro-poor Allowances

Social Pensions and Social Allowances to individuals older than 65 *(Assegni sociali a ultra sessantacinquenni – poamt_s)*

The social pension has been substituted in 1996 by the Social Allowance to individuals older than 65. It is a benefit granted to poor individuals older than 65 years without any income source or an income less than the social allowance. Eligible individuals are Italian resident citizens, San Marino residents, political refugees, EU citizens resident in Italy and extra-EU citizens with long-term residence permit. The monthly amount is related to the income level and the family status of the entitled individual and it is index-linked to the minimum pensions granted by INPS. We refer to section 2.3.5 for a more detailed description.

Minimum Guaranteed Income *(Reddito di Cittadinanza – bsamm_s)*

From April 2019 a new national measure against poverty and social exclusion is in place and it is called *Reddito di Cittadinanza RdC*. In 2023 it is paid only up to 7 months and it will be replaced bynew instruments from January 2024. We refer to section 2.3.17 for a more detailed description.

Housing Benefit (*bho*)

Regions dispose on monetary transfers in order to promote the purchase of the main residence or to help paying the rent (different names are given to these transfers: *Buono casa per le giovani coppie* in Emilia Romagna, *Mutui a Tasso Zero per le Giovani Coppie* in Veneto, *Risparmio Casa* in Trento; source: IreR 2005); such contribution is usually addressed to special kinds of households, such as young couples, couples with young children and single mothers. The contribution is aimed either to reduce the mortgage interests paid for the purchase of the main residence or to provide a sporadic cash benefit; its amount changes among Regions. Two are the main criteria followed in order to provide such contributions: eligibility criteria (means testing), and selectivity criteria (rankings that necessarily rule eligible individuals out, because of budget constraints). The eligibility criterion differs according to the Regions: differences are mainly in the maximum age allowed for one or both members of the couple and in the maximum ceiling for the household's income and wealth. Regions have access to a special location-fund (*Fondo nazionale per il sostegno all'accesso alle abitazioni in locazione*), the consistency of which is fixed by law each year, as summarized in the following table.
The variable included in the dataset (*bho*) is related to rent-related benefits, morgage benefits plus a residual component (anything which is not rent-related).

Basic Needs Debit Card (*Carta acquisti, bsa01*)
It is a pro-poor allowance deposited bi-monthly on a special debit card. The card can be used for purchases in grocery stores, superstores, pharmacies or gas and electricity bills in postal offices. Moreover, there are agreements with some shops which allow a 5% discount. The total allocated fund allocated to the card was €250 million per year from 2015, further increased for 2016 by other €380 million. Entitled individuals are poor citizens older than 65 or younger than 3 having an Indicator of Equivalent Economic Situation (*indicatore della situazione economica equivalente - ISEE*) below a threshold defined yearly. Starting from 2014 the social card was extended to EU and extra EU citizens and their families, as well as to foreigners having a residence permit for EU long-term residents. The benefit amount is 80 euro every two months. This is partly and gradually replaced by the *Reddito d'Inclusione/Reddito di Cittadinanza*.

Young Culture Card (Carta Giovani per la Cultura)
An electronic card with a maximum amount lump sum of €500 has been issued since the year 2016 for all Italian citizens or citizens of other EU Member State living in the country, who turn eighteen years old. The card was valid to be used for theatrical and cinematographic representations, for the purchase of books and access to museums, exhibitions and cultural events, monuments, galleries, archaeological sites, natural parks and live entertainment.

1.2.7 Social Assistance: Benefits related to the reduction in working ability[2]

The so-called civil disabled persons are entitled to receive a benefit (*pdi*) without any working and contributive history. Entitled to receive the benefit are Italian citizens, EU citizens or extra-EU citizens with a long term residence permit, acknowledged as disabled by special committees of a Local Health Institute (*Azienda Sanitaria Locale - ASL*). In particular, the following different allowances are granted to different disabled individuals.

Civil Infirmity Allowance *(Prestazione di invalidita' civile)*

Eligible individuals are (i) Italian citizens and foreigners with long-term residence permit, (ii) with total (100%) invalidity, (iii) aged between 18 and 65 and three months, (iv) with an income not larger than the fixed thresholds (16.814,34 in 2019; 16.982,49 in 2020 and 2021, 17.050, 42 in 2022). The allowance is incompatible with other benefits granted for the same invalidity reason,

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[2] In addition to the benefits listed in the section. **Allowances for Earthquakes Victims, Lybian re-entered individuals and ex Army employees** (assegni per i colpiti da terremoti, rimpatriati dalla Libia e indennità ai dipendenti delle ex FF.AA.)

as war benefits working and other invalidity benefits supplied by other social security institutions. The allowance, granted for 13 months each year, was 287,09 euro in 2020 and 2021, 292,55 in 2022, 313,91 in 2023 (*INPS circular letters 147/2019, 148/2020, TABELLE 2022, 135/2022*).

Monthly Assistance Allowance (*Assegno mensile di assistenza*)

Eligible individuals are (i) Italian citizens and foreigners with long-term residence permit, (ii) with an invalidity between 74% and 99%, (iii) aged between 18 and 65 and three months, (iv) not capable of working, (v) without any other allowances from any social security institution (vi) with an yearly income not larger than the fixed thresholds (4.931,29 in 2020 and 2021, 5.025,02 in 2022, and 2.391,88 in 2023). The allowance, granted for 13 months, was 287,09 euro in 2020 and 2021, 292,55 in 2022, 313,91 in 2023 (*INPS circular letters 186/2017, 147/2029, 148/2020, 135/2022*).

Accompany Benefit (*Indennita' di accompagnamento*)

Eligible individuals are (i) Italian citizens and foreigners with long-term residence permit, (ii) with a total invalidity (100%), (iv) not able to walk or not able to do daily life activities. The benefit is granted for 12 months without any income mean test, and it was 520,29 in 2020 and 522,10 in 2021, 524,16 in 2022, 527,16 in 2023 (*INPS circular letters 147/2019, 148/2020, TABELLE, 135/2022*).

Frequency Benefit (*Indennita' di frequenza*)

It is a benefit awarded for 13 months to minor citizens living in Italy and foreigners with long-term residence permit, who are enrolled in schools, vocational schools, rehabilitative institutions, having persistent troubles in daily life activities or having a ear damage of more than 60 decibel in the healthiest ear. The amount was 287,09 euro in 2020 and 2021, 292,55 in 2022, 313,91 in 2023. The benefit is means tested and the personal income of the eligible recipient cannot exceed 4.906,72 euro in 2019, 4.926,35 euro in 2020, 4.931,29 in 2021, 5.025,02 in 2022 and 5.391,88 in 2023 (*INPS circular letters 147/2019, 148/2020, TABELLE, 135/2022*).

Sightness Pension (*Pensione di cecità*)

There are two types of sightless pensions, according to the degree of sightless of the individual: **absolute** or **partial sightless**. The sightless is defined partial if the residual sight is at most a twentieth in both eyes. Entitled individuals are Italian resident citizens and foreigners with long-term residence permit, hospitalized and not hospitalized. The pensions are means tested. As an example, the threshold for non-hospitalized absolute sightless was 16.982,49 euro in 2020 and 2021, 17.050,42 in 2022, 17.920, 00 in 2023 and the benefit amount for the same category of recipients was 308,93 euro in 2019, 310,48 euro in 2020 and 2021, 316,38 in 2022, 339,48 in 2023. The benefit is issued for 13 months each year. (*INPS circular letters 147/2019, 148/2020, TABELLE, 135/2022*).

Special Benefit (*Indennita' speciale*)

Individuals affected by partial sightless (residual sight of at most a twentieth in both eyes) are entitled to receive, without income test a monthly benefit of 212,43 euro in 2020, 213,79 in 2021,215,35 in 2022, and 217,64 in 2023 issued for 12 months (*INPS circular letters 186/2017,147/2019, 148/2020, TABELLE, 135/2022*).

Deaf-Dumb Pension (*Pensione ai sordomuti*)

It is a monthly benefit granted to deaf-dumb individuals. When the individual is 65 years and three months old, the pension is turned into a social allowance. Eligible individuals are Italian citizens and foreigners with long-term residence permit, aged between 18 and 65 and three months, with an income not larger than the fixed thresholds (16.982,49 euro in 2020 and 2021, 17.050,42 in 2022, and 17.920,00 in 2023). The benefit amount is granted for 13 months and it was 287,09 euro in 2020 and 2021, 292,55 in 2022, 313,91 in 2023 (*INPS circular letters 147/2019, 148/2020, TABELLE, 135/2022*).

Communication Benefit *(Indennità di comunicazione)*

It is a benefit granted without income test to Italian resident citizens and foreigners with long-term residence permit. To be entitled for the benefit, the hypacusia must be at least 75 decibel (60 for individuals younger than 12) in the healthiest ear and it must have been occurred in the first twelve years of life. The benefit is incompatible with the frequency benefit, but compatible with the accompany benefit. The benefit amount was 258,00 euro in 2020, 258,82 euro in 2021, 259,75 in 2022 and 261,11 in 2023 (*INPS circular letters 147/2019, 148/2020, TABELLE, 135/2022*).

Personal, Long-term Assistance Allowance *(Assegno per assistenza personale continuativa)*

Entitled individuals (i) have been defined by INPS as disabled to working activity, (ii) are incapable to walk alone or (iii) are in need of a permanent help because not able to do everyday activities. The benefit can be requested contextually to the inability pension (see Social Insurance) and it is not granted in case of hospitalization periods provided by the public administrations.

1.3   Social contributions

Social contributions are due by employees, employers and self employed individuals on earned income, and the due amount is different according to: (i) the source of income (employment or self-employment income); (ii) the sector of activity (manufacturing, building, mining, publishing, public administration, handcrafting, agriculture, banking and insurance, services, cooperative sector, broadcasting); (iii) the number of persons working in the firm; (iv) the occupational status (executives, white collars, blue collars). The average contribution rate is about 40%: part is due by the employer, part by the employee.

The National Institute of Social Security (*INPS*) collects contributions for the following insurances:

- Invalidity, Old Age and Survivors (*Invaliditá, Vecchiaia, Superstiti*)
- Unemployment (*Disoccupazione*)
- Dependency benefit Fund (*Cassa Unica Assegni Familiari*)
- Redundancy Fund (*Cassa Integrazione Guadagni*)
- Procedure for mobility and Collective Dismissals (*Mobilità*)
- Sickness and Maternity Benefit (*Malattia e Maternità*)
- Severance Pay (*TFR*)

See Section 2.4 for details.

1.4   Taxes

1.4.1   Personal Income Tax *(IRPEF Imposta sui redditi delle persone fisiche – tinna_s)*

IRPEF has been introduced in 1974, substituting a large number of previous real taxes on income. It is an *individual* and *progressive* tax on total income. Family dimension and composition is also taken into account by the system of deductions and tax credits. The tax is due by resident individuals (wherever the income is produced) and non-resident individuals (for incomes produced in Italy). The definition of taxable income is broad, but the actual tax base is smaller because several income sources are subject to separate taxation. In principal, the tax base is made of income from land and buildings, from employment and self-employment, business income and capital income (the latter only in a marginal way as most of capital income sources are subject to separate (proportional) taxation).

A major reform has been implemented in 2022 with the reduction of tax brackets from 5 to 4, a remodulation of tax rates and tax credits. Morevoer, tax credit for dependent children (up to 21 years old if students) have been removed with the introduction the new AUU (Universal unique allowance for children).

See Section 2.5 for details.

1.4.2   Personal Income Regional Additional Tax *(IRPEF Addizionale regionale – tinrg_s)*

The Regional Additional Tax is basically due on the same tax base of the Personal Income Tax. The tax rate is made of two components: a mandatory rate and an additional discretional rate defined by each region within certain limits. See Section 2.6.1 for details

1.4.3   Separate Taxation on Capital Income *(Imposte sostitutive sui redditi da capitale – tinktcp_s, tinktdt_s, tinktdv_s, tinktbd_s, tinktgb_s)*

Even if capital income is theoretically included in the personal income tax base, it is mainly subject to separate taxation. Up to 2010, there were two different tax rates: 27% and 12.5%: long-term investments were encouraged by applying the lower rate. In the period 2012-2013 there are two different tax rates: 20% and 12.5%. From 2014 the standard rate increased from 20% to 26% With respect to capital gains, some differences arise according to the type of savings regime chosen by the investor. If the portfolio is managed by a financial intermediator, capital gains are taxed at the accrual and it is possible to compensate capital losses with capital income. Otherwise, if the investor self-manages her savings, capital gains are taxed at realization and capital losses may be compensate only with capital gains.
A different regime applies to returns on social security investments which are favoured by applying a rate of 11%, and to arrears, severance pay and private pensions paid out in form of capital. See Section 2.6.2 for details

1.4.4   Corporate Tax *(IRES - Imposta sui redditi delle società)*

The corporate tax is a proportional tax levied on net profits. The basis is roughly computed by adding revenues (sales of goods, services, corporate shares, bonds), capital gains (at realizing), perceived dividends and interests (at nominal value), stocks and subtracting the cost of labor, of goods and services, capital losses, paid interests, depreciation and current losses. The tax rate has been 33% until 2007. Starting with the business year after 2007, the rate is 27.5%. Starting with the 2017 business year, the tax rate has been decreased to 24%. Starting from 2008, it is possible to deduct from the IRES basis the 10% of the regional tax on business (IRAP).

1.4.5   Value Added Tax *(IVA - Imposta sul valore Aggiunto)*

The base of the Value Added Tax is the total business value added minus investment expenses, and therefore coincides with the value of final consumption. The due tax is computed by the method *tax-to-tax*. From 2012 the normal tax rate is 21% (before it was 20%), increased to 22% from 1st October 2013, but there are also two lower tax rates 4% and 10%. The lowest is applied to primary goods such as milk, butter, cereals, pasta and bread, books and newspapers. Exemptions apply on financial transactions, public services and health, education and welfare, and a favourable regime is granted to agriculture.

1.4.6   Regional Tax on Business *(IRAP - Imposta sui Redditi delle Attività Produttive)*

IRAP provides about a half of the financing for Regions (mainly devoted to the health system). The tax is imposed on all those engaged in commercial business and on public administrations. It is charged on the net value added resulting from the business pursued in the region defined as the sum of labor costs, interests paid and profits, net from depreciation.

1.4.7 Municipality Property Tax *(ICI - Imposta Comunale sugli Immobili, IMU – Imposta Municipale Propria and TASI – Tassa sui Servizi Indivisibili)*

The municipality property tax (ICI - *Imposta comunale sugli immobili*) is due by: (i) owners of buildings, building areas, arable lands located in Italy; (ii) individuals enjoying some real rights on buildings areas or lands (holders of usufruct, right of user, right of occupancy, emphyteusis, building lease); (iii) lessees; (iv) licensees of State demesne.

For buildings registred at the cadastre, the tax base is the cadastral value raised by 5% multiplied by a coefficient which is different according to the building type (from 140 to 34). For the building areas, the tax base is the current selling value. For arable lands, the tax base is the estate income, raised by 25% and multiplied by 75.

Starting from 2008 *ICI* is no more due for the main residence, with the exception of luxury flats, villas, castles and palaces of historic or artistic importance. See the final section on health warnings for details.

Each municipality fixes its own tax rates, which can be found on the web site of the Ministry of Finance: http://www.finanze.it/dipartimentopolitichefiscali/ici/delibere

Starting from fiscal year 2012, the Property Tax has been redesigned. The new tax is the IMU – *Imposta Municipale Propria*. The new tax is due by the same subjects as ICI.

The tax base for buildings registered at the cadastre is the cadastral value raised by 5% multiplied by a coefficient that is different according to the building type (from 160 to 55).

Tax rates are different according to the type of building and municipalities can modify them. The baseline rates are: 0.4% for the main residence; 0.2% for rural buildings; 0.76% for rented buildings and other cases. In the case of main residences there is a tax credit of 200 euro plus 50 euros for each dependent children aged 26 or less living in the household.

In 2013 the Property Tax on the main residence has been suspended.

In 2014 it has been introduced the TASI (Tassa sui Servizi Indivisibili) on both main residence (average tax rate at national level: 0.17%, without considering tax credits) and other residences (the sum of TASI and IMU cannot exceed the 1.06%). In 2015 the rules are the same as in 2014. Since 2016 the TASI on main residence has been abolished (with the exception of luxury houses). The European Commission has been advocating for reintroducing the first residence tax for high-income households in its 2016 and 2017 recommendations

1.4.8 Other indirect taxes

There is a wide amount of other indirect taxes, traditionally classified in three categories: (i) business taxes; (ii) taxes on production and (iii) monopoly and State lottery.

- The **Registration Duty** *(Imposta di Registro)* is levied upon the legal registration of acts of different nature (concerning a legal transaction or an administrative or legal operation). The main source of revenues is connected to real estate transaction and corporate operations.
- The **Mortgage Duty** (*Imposta Ipotecaria*) is linked to mortgage institutions, modifications or redemptions, and transcriptions concerning real estate's immovable.
- The **Stamp Duty** (*Imposta di Bollo*) is levied upon acts (civil, commercial, legal, extrajudicial), notices, posters, advertisements.
- **Excise duties on energy** which particularly hits oil products (petrol and diesel oil), but which is levied also on beer and spirits.
- **Monopoly and State lottery** provides a non-negligible source of revenue.

2. SIMULATION OF TAXES, SOCIAL INSURANCE CONTRIBUTIONS AND BENEFITS IN EUROMOD

2.1 Scope of simulation

In the following 0, we provide the list of benefits and taxes which are included in EUROMOD

Table 2.1. Simulation of benefits in EUROMOD [2020-2023]

	Variable name	2020	2021	2022	2023
Family Allowance for families with at least three children	bchot	I	I	-	-
Scholarship	bed	I	I	I	I
Family Allowances for couple and 0 child	bfacpxc_s	S	S	S	S
Family Allowance for 1 parent and children	bfalp_s	S	S	-	-
Family Allowance for 2 parents and children	bfacpwc_s	S	S	-	-
Universal Children Allowance	bfach00_s	-	S	S	S
Mother bonus	bfacc_s	S	S	-	-
New born bonus	bfaba_s	S	S	-	-
Minimum Income (*RdC*)	bsamm_s	S	S	S	S
Housing Benefits	bho	I	I	I	I
State and Municipalities Dependency Benefits	bmals	I	I	I	I
Maternity leave for self-employed	bmase	I	I	I	I
Minimum Insertion Income, Basic Needs Debit Card	bsa00, bsa01	I	I	I	I
Redundancy Payment, Wage supplementation scheme	bunct01	PS	PS	PS	PS
Unemployment Benefits, Procedure for Mobility	bunct02	I	I	I	I
Unemployment Benefits, training	bunst	I	I	I	I
Benefits related to the reduction in working ability	phl	I	I	I	I
Inability Pensions, Infirmity Allowances and War Pension	pdi	I	I	I	I
Old Age Pension	poa	I	I	I	I
Pension extra payment (*Quattordicesima*) *	poaxp_s	I	I	I	I
Social Allowance to individuals older than 65	poamt_s	S	S	S	S
Survivors Pension	psu	I	I	I	I
COVID-19 related policies					
Minimum Income (*Reddito di emergenza ReM*)	bsamt01_s	S	S	-	-
Bonus 600 € (self employed)	bls01_s	PS	PS	-	-
Bonus 100€ (employees)	bls02_s	S	S	-	-
Mortgage subsidy for self-employed	bls03_s	S	S	-	-
Energy related lump sum	bls01_s	-	-	S	S

Notes: "-": policy did not exist in that year; "E": *excluded* from the model as it is neither included in the micro-data nor simulated; "I": *included* in the micro-data but not simulated; "PS" *partially simulated* as some of its relevant rules are not simulated or the simulation is activated through the specific add-on;; "S" *simulated* although some minor or very specific rules can be disregarded: * Pension extra payment is simulated with income data period before 2017; after it is taken from data.

Table 2.2. Simulation of taxes and social insurance contributions in EUROMOD [2020-2023]

	Variable name	2020	2021	2022	2023
Personal Income Tax	tinna_s	S	S	S	S

	Variable name	2020	2021	2022	2023
Additional solidarity contribution	tinto_s	S	S	S	S
Bonus Irpef	tintceent_s	S	S	S	S
Personal Income Regional Additional Tax	tinrg_s	S	S	S	S
Personal Income Tax on rental income	tinrt_s	S	S	S	S
Separate Taxation on Capital Income	tinktcp_s tinktdt_s, tinktdv_s, tinktbd_s, tinktgb_s	S	S	S	S
Separate Taxation on arrears and severance pay	tinsv_s	S	S	S	S
Property Tax – Main residence	tprmb_s	-	-	-	-
Property Tax – Other buildings	tprob_s	S	S	S	S
Employee Social Insurance Contributions	tsceepi_s tsceesf_s	S	S	S	S
Employer Social Insurance Contributions	tscerpi_s, tscerui_s, tscersv_s tscerfa_s, tscersf_s, tscersi_s	S	S	S	S
Self-employed Social Insurance Contributions	tscsepi_s, tscseml_s	S	S	S	S

Notes: "-": policy did not exist in that year; "E": *excluded* from the model as it is neither included in the micro-data nor simulated; "I": *included* in the micro-data but not simulated; "PS" *partially simulated* as some of its relevant rules are not simulated or the simulation is activated through the specific add-on;; "S" *simulated* although some minor or very specific rules can be disregarded. .

2.2   Main policy changes

2.2.1   Main policy changes between 2020 and 2021

The "Bonus Irpef" and the additional tax credit for employment income have been confirmed for the whole year (12 months).

A new Temporary Universal Children Allowance for families with children, previously not entitled to the Family Allowances, has been introduced since July, 1st 2021. It is called "Assegno Unico Temporaneo" and it will be in place until February 2022 when a permanent "Assegno Unico e Universale" will replace the existing measures supporting families with children (i.e. tax credits, Family Allowances, New born bonus, Mother bonus).

Family allowances have been increased by 37.5€ per month per child since July 1st, 2021.

2.2.2   Main policy changes between 2021 and 2022

A major reform of the personal income tax has been implemented in 2022 with the reduction of tax brackets from 5 to 4, a remodulation of tax rates and tax credits related to the different sources of income. Morevoer, tax credit for dependent children (up to 21 years old if students) have been removed with the introduction the new AUU (Universal unique allowance for children).

Social insurance contributions paid by employees have been reduced (i.e. "*decontribuzione*") keeping fixed the nominal rate used as a basis for the computations of the contributory pensions. For workers with income up to 35.000€ per year, there has been a reduction of 0.8 percentage points from January to June and of 2 percentage points from July to December (average over 12 months of 1.4 percentage points).

From March 1st, a new Universal Unique Allowance (Assegno Unico Universale) is granted to families with children (up to 21 years old if students). It replaces the existing measures supporting families with children (i.e. tax credits, Family Allowances, New born bonus, Mother bonus).

In order to cope with the increases in the energy prices, lump sum bonuses have been introduced for employees and self-employed.

2.2.3   Main policy changes between 2022 and 2023

Social insurance contributions paid by employees have been reduced further (i.e. "*decontribuzione*") keeping fixed the nominal rate used as a basis for the computations of the contributory pensions. From January to June, for workers with income below 25.000€ per year, there has been a reduction of 3 percentage points, for those with income between 25.000€ and 35.000€ per year there has been a reduction of 2 percentage points. From July to December, for workers with income below 25.000€ per year, there has been a reduction of 7 percentage points, for those with income between 25.000€ and 35.000€ per year there has been a reduction of 6 percentage points. In the model the annual average social contribution rate (i.e. 4% and 5% respectively) has been applied.
Those with inomce above 52190€ per year pay an additional 1 percentage point on the income above the threshold.

Reddito di cittadinanca (RdC) has been paid for a maximum of 7 months for those eligible to work.

2.3   Order of simulations and interdependence

2.3.1   Simulated Policies

Table 2.3 Simulated policies

Policy	Description	2020	2021	2022	2023
bfacpxc_it,	Family allowances: couple and 0 child	X	X	X	X
bfalp_it	Family allowances: one parent and children	X	X	-	-
bfacpwc_it	Family allowances: two parents and children	X	X	-	-
bunct01_it	Wage supplementation scheme	X	X	X	X
bunct02_it	Ordinary Unemployment benefit	X	X	X	X
poamt_s	Social Allowance to individuals older than 65	X	X	X	X
poaxp_s	Pension Extra payment	X	X	X	X
bfacc_s	Mother bonus	X	X	X	-
bfaba_s	New born bonus	X	X	X	-
bsamm_s	Minimum Income	X	X	X	X
bfach00_s	Children Universal Allowance	-	-	X	X
Bls_energy_it	Energy lump sum benefits	-	-	X	X
sicer_it	Employer SICs	X	X	X	X
sicee_it	Employee SICs	X	X	X	X
sicse_it	Self-employed SICs	X	X	X	X
tintsna_it, tintc_it, tinna_it	Personal Income Tax	X	X	X	X
tinto_s	Additional solidarity contribution	X	X	X	X
tinrg_it	Additional Regional Personal Income Tax	X	X	X	X
tinkt_it	Separate Taxation on Capital Income, arrears and severance pay	X	X	X	X
tprmb_s, tprob_s	Property tax	X	X	X	X
tinrt_s	Personal income tax on rental income	X	X	X	X
tintceent_s	Bonus IRPEF	X	X	X	X

2.3.2   Order of simulation

Besides the policy sheets containing the default values (*SetDefault_it*), uprating factors (*Uprate_it* and *uprate_bands_it* for the uprating of public pensions by bands), constants (*ConstDef_it*), the definition of income lists (ILsDef_it, ILsuDBDef_it, *ILdef_it*) and tax units (*TUDef_it*), the first options in the spine allows the user to decide whether uprating public pensions by average growth (*UAA_it*) and implementing or not the correction for tax evasion (*TCA_it*, see more detail in Section 3.3.2). By default, the latter correction is switched on. The default policy to simulate the minimum wage is switched off as no minimum wage exists in Italy (*yem_it*) while all negative values recorded in the self-employment income are set to 0 (*neg_it*).

The simulation of social insurance contributions is divided in three policies: *sicee_it*, *sicer_it* and *sicse_it* and precedes the simulation of the personal income tax because social insurance contributions (paid by employees and self-employed) are deductible.

The following two policies refer to housing: tax on rental income (*tinrt_it*) and property tax (*tpr_it*)

The simulations of both the wage supplementation scheme (*bunct01_it*) and the ordinary unemployment benefit (*bunct02_it)* are switched off by default in the baseline and used for the

calculation of net replacement rates or as part of specific add-ons. Both benefits are taxable and then simulated before the income tax.

Since 2017 the pension extra payment (*Quattordicesima*) is augmented based on working history and income levels (*poaxp_it*) – the simulation works only when the income reference period of the data is before 2017.

The out of pocket childcare fees have been implemented just as an example in the policy *xcc_it* but need to be updated and revised by the interested user.

The additional solidarity contribution (*tinto_it*) is simulated as a cut of public pensions, before the income tax because it is readuction of gross pensions.

The personal income tax is simulated in three different policy sheets: *tintsna_it* (including the main tax deductions and the tax schedule), *tintc_s* (personal tax credits) and *tinna_s* (family tax credits and final calculation of the tax). The policy *tintciw_it* simulates the "80 euro" bonus, which is considered part of the national income tax (as a consequence, the income tax can be negative) Additional regional personal income tax (*tinrg_it*) and separate taxation on capital incomes (*tinkt_it*) follow.

The second part of the spine (before the "output" policy sheets) includes the simulation of the non contributory benefits: Social Allowance to individuals older than 65 (*poamt_it*), Mother bonus (bfacc_it), and the Family Allowances (*bfacpxc_it*, *bfalp_it* and *bfacpwc_it*).

The policy *isee_it* allows to simulate the Indicator of Equivalised Economic Situation (ISEE) which is used for most of means-tested benefits such as the new born bonus (bfaba_it), the minimum income scheme\RdC (bsamm_s) and the Emergency Income\ReM introduced as part of the Covid-19 related policies.

Since 2022 the new AUU (Universal unique allowance for children) is simulated (*bfach00_s*)

The policy TransLMA_it allows to model labour market transitions. It works only with the LMA ADD-ON. Labour transitiona are based on data produced by Eurostat, using detailed distributional information on the loss of jobs and short-term work schemes from the Labour Force Survey and administrative data. The impact across different categories of individuals, the duration of unemployment/absence and percentage of hours worked are modelled using the EU-LFS longitudinal and quarterly transitions as target. For more information, please consult the methodological note available at

https://ec.europa.eu/eurostat/documents/7894008/8256843/Methodological-note-2020.pdf/9a70fb55-ceb7-d25a-1b31-ab0c030095d2?t=1625228771763

Table 2.4 EUROMOD Spine: order of simulation, 2020-2023

Policy	Description	Main output
SetDefault_it	Default values	
UAA_it	Switch for uprating pensions by average growth	
Uprate_it	Uprating factors	
uprate_bands_it	Uprating factors for public pensions by bands	
ConstDef_it	Constants and other system definitions	
random_it	Assign random numbers	
ILsDef_it	Standard Income concepts	
ILsUDBDef_it	Income concepts based on SILC UDB classification	
ILDef_it	National specific Income concepts	
TransLMA_it	Modelling labour market transitions	
TUDef_it	Assessment units	
TCA_it	Tax evasion correction	
yem_it	Minimum wage	
neg_it	Correction of negative values	
sicee_it	Employee SICs	tsceepi_s, tsceesf_s
sicer_it	Employer SICs	tscerpi_s, tscerui_s, tscersv_s, tscerfa_s, tscersf_s, tscersi_s
sicse_it	Self-employed SICs	tscsepi_s, tscseml_s
tinrt_it	Tax on rental income	tinrt_s
tpr_it	Property tax	tprmb_s, tprob_s
bunct01_it	Wage supplementation scheme	bunct01_s
bunct02_it	Ordinary Unemployment benefit	bunct02_s
poaxp_it	Pension extra payment	poaxp_s
xcc_it	Out of pocket childcare fees	xcc01_s
tinto_it	Additional solidarity contribution and cuts to public pensions and public salaries	tinto_s, poa, yem
tintsna_it	Personal Income Tax: Deductions and tax schedule	tintsna_s
tintc_it	Personal Income Tax: personal tax credits	tinna_s
tinna_it	Personal Income Tax: family tax credits and final tax	tinna_s
tintciw_it	Bonus "80 euro"	tintceent_s
tinrg_it	Additional Regional Personal Income Tax	tinrg_s
tinkt_it	Separate Taxation on Capital Income, arrears, private pensions and severance pay	tinktcp_s, tinktdt_s, tinktdv_s, tinktbd_s, tinktgb_s, tinsv_s
poamt_it	Social Allowance to individuals older than 65	poamt_s
bfacc_s	Mother bonus	bfacc_s
bfacpxc_it	Family allowance: couple and 0 child	bfacpxc_s
bfalp_it	Family allowance: one parent and children	bfalp_s
bfacpwc_it	Family allowance: two parents and children	bfacpwc_s
isee_it	Indicator of Equivalised Economic Situation	ymn03_s
bfaba_it	Bew born bonus	bfaba_s
bsamm_it	Minimum Income	bsamm_s
bau_it	Universal Children Allowance	bfach00_s
bls_it	COVID Related bonus	bls01_s, bls02_s, bls03_s
rem_it	Emergency Income (COVID related minimum income	bsamt01_s
output_std_it	Standard output – individual level	
output_std_hh_it	Standard output – household level	

2.4   Policy extensions

There are five standard extensions included into the Italian spine:

- **Minimum Wage Adjustment (MWA)**, allowing the user to switch on/off the minimum wage simulation. The default for the baselines is off as there is no statutory minimum wage in Italy.

- **Parental Benefits Extension (PBE),** allowing the user to choose between the observed (non-simulated) parental leave benefits (extension off) or the simulated ones (extension on). The default for the baselines is off.

- **Uprating Average Adjustment (UAA),** allowing the user to choose between uprating (non-simulated) public pensions based on the growth in average amounts (if extension is on) or by using statutory indexation rules (if extension is off). The default for the baselines is off. Uprating by average also takes into account changes in the characteristics of pensioners (e.g. an inflow of new retirees with higher average pensions). This type of uprating may be used in EUROMOD applications where it is important to take into account not only policy but also compositional changes (e.g. nowcasting).

- **Tax Compliance Adjustments (TCS),** allowing the user to apply tax compliance corrections of self employment incomes (if extension is on). The default for the baselines is on. Otherwise, full tax compliance is assumed.

- **Full Year Adjustments (FYA),** allowing the user to choose between policies as of 30th June (extension off) or modelling annual policies (extension on), taking into account within-year policy changes. The default for the baselines is on.

Apart from the above-mentioned policy extensions, the Italian model also includes a policy that is switched OFF in the baseline, but can be used for specific purposes:

TransLMA_it. This policy defines the individuals that are selected to undergo transitions to monetary compensation schemes and/or unemployment. The transitions are only enabled if used together with the Labour Market Adjustments (LMA) add-on (i.e. the LMA add-on switches on this policy automatically). The transitions are based on a random allocation of individuals and they might be triggered by feeding the parameters of this policy with official or hypothetical information[1]. This policy, in combination with the LMA add-on, enables the simulation of the wage compensation scheme (*bunct01_it*) and the unemployment benefit (*bunct02_it).*

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[1] For more information about the modelling of labour market transitions, please consult the "Simulating labour market transitions in EUROMOD" document.

2.5 Benefits

2.5.1 ISEE - The Equivalent Economic Situation Indicator

Most of means-tested social benefits are based on the **Equivalent Economic Situation Indicator** (Indicatore della Situazione economica Equivalente - **ISEE**) which is calculated as follows:

$$ISEE = (ISR + 20\% \ ISP)/EQ$$

where ISR ('Indicatore della Situazione Reddituale') is the Income Situation Index, ISP ('Indicatore della Situazione Patrimoniale) is the Asset Situation Index and EQ is the equivalence scale.

The Income Situation Index (ISR) is equal to the sum of the basically all household gross incomes net of the employee social security contributions, minus a series of allowances:

a) Alimonies paid to a separate or divorced spouse;

b) Health expenses for disabled relatives (up to EUR 5000);

c) 20% of incomes from employment or similar/related sources, up to a EUR 3000;

d) Alternative to (c), 20% of the income from non-taxable benefits or pensions, up to a EUR 1000;

e) Annual rent for family living in rental accommodations, up to EUR 7000 (this amount is increased of 500 EUR for each child after the second);

f) EUR 4000 EUR for each person with "average" disability (EUR 5500 EUR in case of disabled children); EUR 5500 EUR for each person with "severe" disability (EUR 7500 EUR in case of disabled children); EUR 7000 EUR for fully incapacitated persons (EUR 9500 EUR in case of disabled children)

These allowances can be deducted up to the maximum limit of the value of the ISR (the ISR cannot be negative).

The Asset Situation Index (ISP) is the sum of the household wealth, which includes both financial and non finacial assets, net of the respective deductions and allowances.

The Equivalence Scale (EQ) is equal to the number of household members at the power of 0.65 for households with less than 6 members. For household with 6+ members the parameter is increased by 0.35 for each additional member.

The following increases applies to the EQ rates:

a) 0.2 increase for households with 3 children, 0.35 for 4 children, 0.5 for at least 5 children;

b) 0.2 for households with children below 18 years (0.3 if there is at least one child aged less than three) in which both parents or the only parent have worked for at least six months during the year;

c) the increase described in letter b) applies also to households composed exclusively of one non-working parent with children below 18 years.

ISEE is simulated, based on the information available in the input data, in the policy isee_it and saved in the variable ymn03_s.

2.5.2 Family Allowances *(bfacpxc_s, bfalp_s, bfacpwc_s)*

The **Family Allowances** (*Assegno per il nucleo Familiare*) are targeted to families of employees and pensioners with family incomes below determined thresholds. The thresholds and the

amounts of the benefit are different according to the household composition and number of members, and are fixed every year by Law.

A new Temporary Universal Children Allowance for families with children, previously not entitled to the Family Allowances, has been introduced since July, 1st 2021. It is called "Assegno Unico Temporaneo" and it has been in place until February 2022 when a permanent "Assegno Unico e Universale" replaced the existing measures supporting families with children (i.e. tax credits, Family Allowances, New born bonus, Mother bonus).

The only Family Allowance in place from 2022 on is the one related to couple without children (*bfacpxc_s*)

- *Definition*

The unit of analysis is the family (*tu_fa_family_it*) including[3]:
- The referent person who asks for the benefit;
- The spouse;
- Children and grandchildren of direct ascendant if aged under 18.

- *Eligibility conditions*

Eligible individuals are: employees, retired employees, unemployed individuals receiving the unemployment benefit, individuals under severance pay, individuals under procedure for mobility and collective dismissal, employees on sick or maternity leave (recipients of income source included in the income list *il_fa_dep*).
An individual is entitled to receive the benefit if the sum of the above income sources, net of social contributions, amounts to at least 70% of the whole family members' income (*il_fa_totinc*). Sources of income not subject to income tax or subject to withholding tax (*il_fa_disregy*) are included only for the amount larger than 1,032.91 euro per year (disregarded amount: *ydg01_s*).
The income relevant for the benefit is the income produced in the solar year before the 1st of July of each year, and it remains valid until the 30th of June of the following year. Therefore, for example, for the period between the 1st of July 2021 and the 30th of June 2022, income produced in 2020 is taken into account. For the simulation of the benefit, we assume the family income to stay constant in two consecutive years and we use the income thresholds as of 1st July (instead of 30th June).

- *Income test*

The access to the benefit is restricted to those families below an income threshold. The threshold is different according to the composition of the family (presence of either spouses or just one, presence of children aged under 18) and increasing in the number of family members.
Income thresholds are adjusted each year and index-linked to the annual average growth rate of the consumer price index for working-class households, elaborated by the National Statistical Office (*ISTAT*).

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[3] Other entitled individuals (not included in the simulation due to lack of information in the data) include i) children aged above 18 unable to work; ii) siblings and nephews aged under 18 or aged above 18 unable to work, if they are orphans of both parents and do not receive any survivor pension, iii) one single person receiving a survivor pension (orphan or spouse), if she is aged under 18 or aged above 18 unable to work.

In 2019 the income limits are subject to an increase of 1.1%, in 2020 of +0.5%. In 2021 income thresholds and benefit amounts do not change with respect to the previous year because the change in the consumer price in 2020 was -0.3% and consequently the reference amounts do not change (INPS circ. 68/2018, 66/2019, *147/2029, 148/2020, TABELLE*). In 2022 the income limits are subject to an increase of 1.9%.

Annual Average Growth Rate of consumer price index (% with respect to previous year)

Year	Δ%
2020	+0.5
2021	+0
2022	+1.9
2023	+7.3

Source: ISTAT, FOI, Indice Nazionale dei prezzi al consumo per le famiglie di operai ed impiegati.

- *Benefit amount*

The employer has to pay the benefit to entitled employees who ask for it. The benefits to be paid to children of divorced parents, to natural children, to siblings, to nephews, to invalid family members and to family members living abroad have to be approved by the National Institute of Social Security - INPS.
The benefit is paid off together with the wage for employees. Then, the employer asks INPS to be refunded. Unemployed individuals and pensioners receive the benefit from INPS.
The income thresholds and the benefit amount (valid from 1st July to 30th June) depend on family composition (INPS circ. 66/2019, 60/2020, 2331/2021, 65/2022, 55/2023). We simulate Family Allowances for three types of family:

- family with no children – *(bfacpxc_s)*
- family with one parent and at least one child aged <18 – *(bfalp_s)*
- family with two parents and at least one child aged <18 –*(bfacpwc_s)*

The benefit amount decreases with income in a non linear way. From 2009 on, for families with more than 7 members the monthly benefit amount follows precise rules as for smaller families. However, in the simulation it is increased by 15% plus a lump sum of 55 euro per month (following the rules pre-2009, given that in the underlying data only few families (i.e. 1 family in 2012 data) are larger than 7 members and entitled to the benefit. See EUROMOD policy sheets for the specific benefit amounts.

Family allowances have been increased by 37.5€ per month per child since July 1st, 2021.

In 2022 family allowances – related to the presence of children, i.e. *bfalp_s* and *bfacpwc_s*) have been paid only in January and February because from March 1st, the new Univeral Unique Allowance (AUU) for children up to 21 years old replace the existing measures. In the current version of the model rules in place at June,30th are implemented.

For details on income thresholds and benefit amounts see EUROMOD model.

- *EUROMOD modelling*

Since in the dataset we do not have any detailed information on the disability status (as defined by the Law) of the individuals, in the simulation we assume that there are no disabled persons.

The discipline of the benefit applies also to part-time workers, with some differences. If the worker has worked at least 24 hours a week, the allowance is due without reductions for each weekday, including Saturday (even if it is not a working day). If the worker has worked less than 24 hours a week, the allowance is due only for the working days. Due to lack of data on the hours worked, the reduction for part time workers is not considered in the simulation.

As mentioned above, for the simulation of the benefit, the family income is assumed to stay constant in two consecutive years (e.g. by law the income thresholds valid at 1st July of 2021 are applied to the income earned in 2020. In the simulation we observe income earned in 2018, assuming that family composition and family income do not change between 2018 and 2020 and we use the income thresholds as of 1st July (instead of 30th June).

2.5.3 Wage supplementation scheme *(Cassa Integrazione Guadagni – bunct01_s)*

- *Definitions*

The Wage supplementation scheme (*Cassa integrazione guadagni*) is a means for softening the impact of economic cycles on the labour market, allowing firms to keep their full workforce, who can work shorter hours while waiting for better economic conditions.

- *Eligibility Conditions*

The main eligibility conditions are set at firm level and all employees of a firm brought on the scheme can be eligible for it.

- *Income Test*

There is not an income test, but the law fixes a (net) maximum monthly amount which depends on the wage. These thresholds are summarized in the following table.

Table 2.4. Wage Supplementation scheme - Gross Maximum Amount – 2020-2023

Year	Wage Threshold	Benefit Maximum Amount	
		Below the threshold	**Above the threshold**
2020	2159.48	998.18	1,199.72
2021	2159.48	998.18	1,199.72
2022	---	---	1,220.11
2023	---	---	1,321.53

Source: *INPS Circular Letter 5/2019, 20/2020, 7/2021, 2/2022, 14/2023*

- *EUROMOD modelling*

The simulation is only implemented to be used to calculate Net Replacement Rates or to be used in specific adds-on. It is switched off in the baseline, with values taken directly from the data. Since 2020, this policy can only produce results if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the TransLMA_it policy, which is switched on automatically by the add-on. For more information about the modelling of labour market transitions please consult the *'Simulating labour market transitions in EUROMOD'* document.

2.5.4 Ordinary Unemployment benefit *(Indennita' di disoccupazione ordinaria / NASPI – bunct02_s)*

Table 2.5. Characteristics of the unemployment benefit – 2020-2023

		2020	2021	2022	2023
Eligibility	Contribution period	- contribution against unemployment for at least 13 weeks in the previous four years and 30 working days in the year before the date of work suspension.			
	Eligibility of self-employed	No			
Payment	If wage below the threshold: 75% of the wage If wage above the threshold: 75% of the threshold + 25%(wage-threshold) Benefit cannot be more than the maximum level After the first 4 months, the benefit is reduced by 3% for each month.				
	Wage threshold and benefit maximum amount	See Table below			
Duration	Up to half the number of contribution weeks in the previous four years				
Subject to	Taxes	Yes			
	SIC	No			

- *Definitions*

Since May 2015, NASPI is the unemployment benefit granted to insured employees who have been dismissed.

- *Eligibility Conditions*

The benefit is not granted to resigned employees, unless the resignation is due to *good cause* as, for example, missed wage payment, sexual harassment, mobbing. The benefit is also given to employees who have been suspended for transitory reasons and causes not due to employers or employees behaviour. The benefit is no more due when the employee (i) has received the benefit for all the allowed days; (ii) starts a new employment; (iii) retires; (iv) refuses an employment proposal with a wage non less than the 20% of the previous one; (v) refuses to be enrolled in social activities; (vi) is erased from the employment lists.

Eligible individuals are employees who have paid (i) contribution against unemployment for at least 13 weeks in the previous four years and (ii) 30 working days in the year before the date of work suspension.

- ***Income Test***

There is not an income test, but the law fixes a maximum monthly amount which depends on the wage. These thresholds are summarized in the following table.

- ***Benefit Amount***

Wage threshold and benefit amount are detailed in the following table. The benefit is taxable.

Table 2.6 NASPI Maximum Amount – 2020-2023

Year	Wage Threshold	Benefit Maximum Amount
2019	1,221.44	1,328.76
2020	1,227.55	1,335.40
2021	1,227.55	1,335.40
2022	1,250.87	1,360.77
2023	1,352.19	1,470.99

Source: *INPS Circular Letter 20/2020, 7/2021, 2/2022, 14/2023*

- ***EUROMOD modelling***

By default the simulation of unemployment benefit is switched off in the spine. The implemented simulation takes into account the previous earnings and the number of months spent in work which need to be specified in the respective variables by the user. Eligibility takes into account the number of years in employed (rather than weeks of paid contributions in the previous years).

The simulation is only implemented to be used to calculate Net Replacement Rates or to be used in specific adds-on.

2.5.5   Social Pension and Social Allowance to individuals older than 65 *(Assegno sociale per ultrasessantacinquenni – poamt_s)*

- ***Definitions***

These are a purely social assistance benefits dedicated to old indigent Italian citizens, or other EU citizens living in Italy.

- ***Eligibility Conditions***

Eligible individuals are at least 65 years and three months old (65 years and 7 months old from 2016; 67 years old from 2019). They must be Italian citizens living in Italy or (starting from the

11th April 2007) other EU citizens who have been living in Italy for at least three months or (starting from the 1st of January 2009) other EU citizens who have been living in Italy consecutively and legally for at least ten years.

- *Income Test*

The sum of all incomes of the individual (non married) or the cumulated incomes of the two spouses, except:
- one third of the pension computed with the pay-as-you-go contributive system,
- the arrears subject to separate taxation,
- the redundancy benefit,
- any kind of family allowance,
- the cadastral value of the main residence,
- the social allowance,
- the accompanying allowance,
- the allowances related to some sort of disability
- the war pension
cannot exceed some maximum amounts, summarized in the following tables

- *Benefit Amount*

Eligible individuals receive the total benefit amount only if their income is zero. Otherwise, they receive the difference between the benefit amount and their income. No benefit is due if the income exceeds the fixed thresholds. The amount due is subject to a means-tested monthly increase (*maggiorazione*). On top of the means-tested monthly increase, another increase (*aumento dell'assegno sociale*) of 167.96 euro per year is granted when specific income conditions apply.

Income test and Benefit amount for Social Allowance for elderly

Year	Non married		Married	
2020	Zero	459.83	Zero	459.83
	> 5,977.79	Zero	> 11,955.58	Zero
	< 5,977.79	(5,977.79 – RP)/13	< 11,955.58	(11,955.58– RC)/13
2021	Zero	460.28	Zero	460.28
	> 5,983.64	Zero	> 11,967.28	Zero
	< 5,983.64	(5,983.64 – RP)/13	< 11,967.28	(11,967.28– RC)/13
2022	Zero	496.03	Zero	496.03
	> 6,097.39	Zero	> 12,194.78	Zero
	< 6,097.39	(6,097.39 – RP)/13	< 12,194.78	(12,194.78 – RC)/13
2023	Zero	503.27	Zero	503.27
	> 6,542.51	Zero	>13,085.02	Zero
	< 6,542.51	(6,542.51-RP)/13	<13,085.02	(13,085.02-RC)/13

Source: *INPS Rinnovo "year" - Tabelle*

Annual increased amount for Social Allowance for elderly (Maggiorazione)

	2020	2021	2022	2023
>=65	191.74	191.74	192.79	196.91

Source: *INPS Rinnovo "year" - Tabelle*

2.5.6   Pension extra payment *(Quattordicesima – poaxp_s)*

Since 2017, the fourteenth yearly pension payment (Q*quattordicesima*) paid to low-income pensioners aged 64 and above is increased by 30 percent. Also, the maximum income amount for eligibility is increased to 2 times the minimum pension (from 1.5 times). The changes are simulated (when using data with an income reference period before 2017) in the variable *poaxp_s* treated as *poa* in the system.

2.5.7   New born bonus *(Bonus bebè / Assegno di natalità   – bfaba_s)*

- *Definitions*

It is a monthly benefit given to families with income below certain levels for each child born or adopted after January 2015. It is paid up to 2021, replaced by the Unique and Univeral Allowance since 2022.

- *Eligibility conditions*

Families with a child born or adopted after January 2015.

- *Income test*

Family must have economic resources, measured by the ISEE (Indicator of Equivalised Economic Situation, *ymn03_s*), which cannot be higher than 25.000 euro per year.

- *Benefit duration*

The bonus is paid for any child up to 3 years old, for children born between January 2015 and December 2017.
The bonus is paid for any child up to 1 year old, for children born between January 2018 and December 2020.
Given the different age of the beneficiaries during the period covered by this report, the table below provides the age included in the simulation.

Born in \ policy system	2015	2016	2017	2018	2019	2020	2021
2015	0	1	2				
2016		0	1	2			
2017			0	1	2		
2018				0			
2019					0		
2020						0	
2021							0

Source: Inps circular n. 85/2019, 26/2020, art. 1, comma 362, legge 30 dicembre 2020

- *Benefit amount*

The amount of the bonus depends on the ISEE of the family and whether the new born child has already other siblings.

Before 2020 the amount of the bonus was 80 Euro per month - per each child - for families with the ISEE below 25.000 euro per year. The bonus is doubled for families with the ISEE below 7.000 euro per year.

Since 2019, for families with ISEE below 7.000 euro per year, there is an increase of 20% of the bonus if the baby has already other siblings.

In 2020 new rules have been introduced, valid in 2021 as well: the table below reports the monthly amounts

ISEE	1st child	With other siblings
0-7000	160	192
7.000-40.000	120	144
40.000+	80	96

The bonus is paid up to March 1st, 2022 when it is replaced by the Universal Unique Allowance (AUU) for children.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

n/a

2.5.8   **Mother bonus** *(Bonus mamma domani, premio alla nascita – bfacc_s)*

- *Definitions*

It is a bonus recognised to mothers for each child born after January 1st 2017.

- *Eligibility conditions*

Mothers with a child born or adopted after January 2017.

- *Income test*

No

- *Benefit duration*

Lump sum.

- *Benefit amount*

800 Euro per year.

The bonus is paid up to March 1st, 2022 when it is replaced by the Universal Unique Allowance (AUU) for children.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

n/a

The following birth related benefits are switched off in the baseline simulations. These policies have not been fully validated at micro and macro level due to limitation in the data used for the simulations, so users should pay particular attention in using them.

2.5.9 Maternity Leave Allowance (Congedo di maternità/ Indennità per astensione obbligatoria, yem, yse) – bmact_s – *SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

It is a contributory benefit for the mandatory period of maternity leave, intended to be a substitute for the wage.
For the self-employed mothers, there is no mandatory leave from work.

- *Eligibility conditions*

Entitled to receive the allowance are mothers who give birth or adopt a child and are:
i) Employed or unemployed
ii) self-employed enrolled in the lists of the craftsmen, wholesale traders, farmers, who paid the corresponding social contributions
iii) temporary workers depending on their contract (*Gestione separata*) if they have paid contributions for at least 3 months in the last year.

If the mother cannot receive the allowance (due to death of the mother, abandonment, custody of the child to the father) the father is entitled to the paternity leave.

- *Income test*

No.

- *Benefit duration*

It lasts at most five months, divided in two periods: two months before and three months after the childbirth. If the health status of the worker is fine and the working conditions do not harm the

future mother and the baby, the period of mandatory leave before the childbirth can be shortened to one month, and therefore the period after the childbirth becomes four months.

- *Benefit amount*

For the employees the allowance is the 80% of the average daily wage. For the self-employed mothers, it is the 80% of the conventional daily remuneration, which are fixed each year by law.

- *Subject to taxes/SIC*

Yes

- *Take up*

Full take-up for employees and high take-up for self-employed and temporary workers.

- *EUROMOD modelling*

We assume that duration of the maternity leave depends on the month of birth of a child. The month of birth is assumed to be equal to the middle month of the quarter of birth reported in SILC. If child's month of birth is unavailable, the assumption is that the child is born in the 1nd quarter (2nd months of the year). Where mothers absent, fathers are assumed to receive the allowance for the same number of weeks as mothers.

2.5.10 Parental Leave Allowance *(Congedo parentale/ Indennità per astensione facoltativa, yem, yse) – bplct_s – SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

It is a contributory benefit for the voluntary period of parental leave, intended to be a partial substitute for the wage.

- *Eligibility conditions*

Entitled to request the parental leave are:

i) Employed mothers or fathers (unless they are unemployed or suspended, employed in domestic and familiar services or working at home) who can leave up to a continuative or fragmented period of up to six months until the child is twelve years old;
ii) Lonely parents up to ten months
iii) Self-employed mothers who can leave for three months within the first year of the child life if they have paid contributions in the month before the leave and they effectively do not work.
iv) Temporary workers depending on their contract (*Gestione separata*) if they have paid contributions for at least 3 months in the last year.

The leave applies also to parents of an adopted child.

- *Income test*

No.

- *Benefit duration*

Employed parents can leave from work until the child is twelve years old for a maximum of six months. The leave cannot exceed jointly for the two parents ten months (the maximum length can be extended to eleven months if the father takes at least three months of leave). The leave can be taken by the parents simultaneously.

Parents with temporary contracts can leave from work until the child is three years old for a maximum of six months. The leave cannot exceed jointly for the two parents six months.

Self employed mothers can leave from work until the child is one years old for a maximum of three months. The leave cannot exceed jointly for the two parents six months.

- *Benefit amount*

The parental leave allowance is the 30% of the average daily wage. The allowance is granted without income test for at most six months cumulated between the parents within the first six years of the child.

When the child is between six and eight years old, the allowance is granted if the income of the applicant parent is below 2.5 times the minimum pension fixed by law in the year of the request and the parents.

The allowance is not granted when the child is between eight and twelve years old.

For self-employed mothers, the allowance is the 30% of the conventional daily remuneration, which are fixed each year by law.

- *Subject to taxes/SIC*

Yes

- *Take up*

n/a

- *EUROMOD modelling*

2.5.11 Paternity Leave Allowance *(Congedo papà, yem, yse) – bpact_s – SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

It is a contributory benefit for the mandatory period of paternity leave, intended to be a substitute for the wage, introduced since January 2013 and reformed several times during the years.

In addition, the father can decide to take up a voluntary paternity leave (2013-2016: 1 day; 2017: 0 day; 2018-2019: 1 day) if the mother decides to give up 1 day of maternity leave.

- *Eligibility conditions*

Entitled to request the parental leave are employed fathers who can take the leave until the child is five months old.

The leave applies also to fathers of an adopted child.

- *Income test*

No.

- *Benefit duration*

The duration of the leave changes over the period:
2013-2017: 2 days
2018: 4 days
2019: 5 days

- *Benefit amount*

The parental leave allowance is equal to the wage.

- *Subject to taxes/SIC*

Yes

- *Take up*

n/a

2.5.12 **Daily Rest Allowance** *(Riposi giornalieri, yem, yse) – SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

It is a contributory benefit to allow mothers and fathers to take up to two hours per day (if the working time is at least six hours per day; up to one hour per day if the working time is at less than six hours per day) as a rest in the breastfeeding phase. In case of twins the hours can be double.

- *Eligibility conditions*

Entitled to request the parental leave are employed mothers or fathers (alternatively) who can take the leave until the child is one year old.

The leave applies also to parents of an adopted child.

- *Income test*

No.

- *Benefit duration*

Up to 2 hours per day

- *Benefit amount*

The daily rest allowance is equal to the wage.

- *Subject to taxes/SIC*

Yes

- *Take up*

n/a

- *EUROMOD modelling*

2.5.13 Municipal Maternity Benefit *(Assegno di Maternità concesso dai Comuni, bmals) – bmamt_s – SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

Maternity allowance of the municipality of residence for each child born from or adopted by a woman who is a citizen of an EU or extra-EU country (with a residence permit). It is a monthly benefit given to families with income below certain levels.

- *Eligibility conditions*

Parents with a child born or adopted in the year who are paying social insurance contributions.

- *Income test*

ISEE for a family with 3 components below:

- 16954.95 euro in 2015, 2016 and 2017
- 17141.45 euro in 2018

- *Benefit duration*

Lump sum.

- *Benefit amount*

- 1.694,45 euro in 2015, 2016 and 2017
- 1.730,10 euro in 2018

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

2.5.14 State Maternity Benefit *(Assegno di Maternità dello Stato, bmals) – bmanc_s – SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

It is a benefit granted to mothers with Italian citizenship, EU citizenship or extra-EU citizenship and a long-term residence permit, for each natural or adopted child.

- *Eligibility conditions*

Eligible for the allowance are:
- (i)   working mothers who have at least three months of contribution in the last 18 to 9 months before the childbirth (or the adoption)
- (ii)   unemployed mothers if the period between the loss of the social insurance and the childbirth or adoption is shorter than nine months
- (iii)   mothers who voluntary resigned during pregnancy and have at least three months of contribution in the last 18 to 9 months before the childbirth (or the adoption)
- (iv)   mothers who have had some allowances from INPS (for example unemployment benefit or sickness benefit), provided not much time has passed (and in any case no more than nine months).

- *Income test*

No.

- *Benefit duration*

Lump sum.

- *Benefit amount*

The Benefit Amount was:
- 2.086,24 euro in 2015, 2016 and 2017
- 2.109,19 euro in 2018

- *Subject to taxes/SIC*

Subject to taxes

- *Take up*

n/a

- *EUROMOD modelling*

2.5.15 *Baby-sitting allowance (Contributo baby sitting o asilo nido) – bcc01_s – SWITCHED OFF, NOT FULLY VALIDATED*

- *Definitions*

Voucher to pay baby-sitting services or to cover childcare expenses up to six months recognised to working mothers who decide, after the maternity leave, to give up the parental leave.

- *Eligibility conditions*

Entitled to receive the allowance are mothers:
i)   Employed or unemployed
ii)   Temporary workers depending on their contract (*Gestione separata*) if they have paid contributions for at least 3 months in the last year.
iii) self-employed enrolled in the lists of the craftsmen, wholesale traders, farmers, who paid the corresponding social contributions

Mothers are requested to apply for the voucher within the first year of life of the child and before finishing the parental leave.

Employed mothers are entitled to the voucher from 2013.
Self-employed are entitled to the voucher mothers from 2016
Temporary working mothers are entitled to the voucher from 2017.

The voucher has been refomed and since 2020 is more generous (up to 3000€) based on the ISEE of the family.

- *Income test*

Based on ISEE

- *Benefit duration*

Employed mothers: up to six month.
Temporary working mothers: up to six month.
Self-employed mothers: up to three month.

- *Benefit amount*

600 euro per month. Up to 3000€ since 2020.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

n/a

2.5.16 *Childcare allowance* (Bonus asilo nido) – bcc02_s – SWITCHED OFF, NOT FULLY VALIDATED

- *Definitions*

Voucher to cover childcare expenses

- *Eligibility conditions*

Families with a child born or adopted after January 2016.

- *Income test*

No

- *Benefit duration*

Lump sum.

- *Benefit amount*

1000 euro per year in 2016, 2017 and 2018.

1500 euro per year in 2019, 2020 and 2021.

The childcare allowance is not compatible with the tax credit for childcare expenses and the Baby-sitting allowance.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

n/a

2.5.17 Minimum Income *(Reddito di Inclusione REI / Reddito di Cittadinanza RdC – bsamm_s)*

In 2018 the *Reddito di Inclusione (REI)* has been introduced as the new policy instrument to support family income.
Since April 2019 *Reddito di Inclusione (REI)* is replaced by *Reddito di Cittadinanza (RdC),* simulated in the variable *bsamm_s*. Since January 2020 Reddito di Cittadinanza (RdC) is paid 12 months per year. In 2023 it is paid 7 months per year for those potentially able to work (it is paid 12 months only for those families with children under 18 years old, disable, individuals with at

least 65 years old who receive the Citizenship Pension – in the model the maximum duration of 7 months is imulated for everybody).
See Table below for a detailed description of the instrument.

RdC 2019 - 2023	
Maximum transfers (single adult)	500 € scaled by household size (Citizenship Income). For households with all members aged 67 or older (Citizenship Pension), 630 €. In addition, housheolds living in rented accomodations may access up to 280 € against rental costs; and those living in a own property with mortgage 150 € against their mortgage costs. These additional amounts are not scaled by household size. For elderly households, 150 € against mortgage or rental costs
Equivalence scale	0.4 for each additional member aged 18 or older and 0.2 for each additional child capped at 2.1
Withdrawal rate	100% withdrawal rate against total household income
Income eligibility definition	Household income below 6.000 € annually, scaled for household size, plus 3.360 € or 1.800 € if eligible for rent or mortgage support. ISEE value below 9.360 € annually
Asset eligibility thresholds	Value of real estate assets (excluding the residence) below 30.000 €. No vehicle. Moveable property assets below 6.000 € for single persons, 2.000 € more for additional family members up to 10.000 € and 5.000 € more for each disabled household member
Activity requirements	Beneficiaries must either declare themselves ready for work and enter an employment "pact", or enter a social inclusion "pact" if their needs are greater or multi-dimensional, and must work up to 8 hours per week on municipal projects
Residency requirements	Resident in Italy for at least 10 years, and continuously for the previous 2 years
Duration	18 months. Renewable for an additional 18 months period after 1 month pause. In 2023 paid up to 7 months (12 months only for those families with children under 18 years old, disable, individuals with at least 65 years old who receive the Citizenship Pension).
Interaction with other benefits	Unemployment Insurance benefit recipients can access unemployment insurance (NASpI). Non-contributory means tested benefits received are included in the Citizen's Income means test. Beneficiaries remain eligible for reduced electricity and gas tariffs
Tax treatment	Not taxable
Starting from	April 2019

Source: OECD (2019).

2.5.18 COVID related policies

Since March 2020 a number of new policies have been introduced in order to fight the socio-economic consequences of the COVID-19 pandemic.

The Tables below provide a synthetic description of the most important policies affecting individuals (employees and self-employed) and their families in 2020 and 2021 (up to June 2021).

2020 March – December

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Law	DL 18 17/3/20 Cura Italia	DL 34 19/5/20 Rilancio				DL 104 14/8/20 Agosto		DL 137 28/10/20 Ristori	DL 149 9/11/2020 Ristori bis	Budget Law
Economic restrictions										
	Shutdown of economic sectors (69 days) assumed to last 3 months									
Income support policies										
Employees										
	CIG	CIG	CIG	CIG	CIG	CIG	CIG	CIG	CIG	CIG
	100 € (no smart working)									
	parental leave\bonus bay sitting (600 € / 1000€)								parental leave\bonus bay sitting (600 € / 1000€)	
Self-employed ("autonomi")	600 €	600 €	600€ (No ? for retailers, artisans and farmers)							
Professional	600 €	600 €	1000€ (if income march-april 2020 < 66% income march-april 2019)							

Occasional workers	600 €	600 €	1000€ (if contract ends before May 19)			1000 € (*mainly to occasional workers)		1000 € *	1000 € *	
Families			REm (Emergency income)			REm				

2021 January – June

	Jan	Feb	March	April	May	June
Law			DL 30 13/3/21 DL 41 22/3/21 Sostegni			
Economic restrictions						
Income support policies						
Employees						
	CIG	CIG	CIG	CIG	CIG	CIG
			parental leave\bonus bay sitting (600 € / 1000€)			
Self-employed ("autonomi")						
Professional						
Occasional workers			2,400 €			
Families			REm (Emergency income)			

2.5.19 COVID bonus for self-employed *(Bonus 600€ / Ristoro 1000€, bls01_s)*

- *Definitions*

In order to compensate the earning loss incurred by the self-employed, the government defined a new lump-sum transfer of 600 euro to be paid for the month of March and April to *all* self-employed, irrespective of whether they incurred a loss or not. The self-employed in specific professional bodies (e.g. lawyers, accountants, notaries, etc.) are eligible for the lump-sum transfers only if their 2019 income was below 35,000 euro. In the months of May, self-employed could receive a lump-sum of 1000€ (*ristoro – contributo a fondo perduto*) upon evidence of a decrease in income with respect to the previous year.
Same reules apply to occasional workers (and workers in Turism\Performing Arts sectors) who received an additional lump-sum compensatin of 1000€ in August, October and November.
In 2021 occasional workers might be entitled to receive an additional lump-sum compensatin of 2400€ in March.

- *Eligibility conditions*

Self-employment income or income from temproray job positive (pre transition), not receiving any pension nor the *Reddito di Cittadinanza* and being in one of the professional status defined by lpf00 equal to 2, 3, 4, 5 4 or 6.

- *Income test*

No, only for professionals (lpf00 =5). If professional, self-employment income or income from temproray job in the previous year must be below 35.000€.

- *Benefit duration*

Lump sum for the months of March, April, May, August, October, November 2020 and March 2021 (depending on categories).

- *Benefit amount*

600 euro in March and April 2020 (*bls01_s*)

1000 euro from May 2020 (bls01_s): those who are not professional (lpf00=5) nor occasional workers (prestazione d'opera occasionale, lpf00 =3) receive it without any income test; professionals receive it based on the income test set above; occasional workers receive 600€ without any income test.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

Transfers related to March and April are stored in the intermediate variable *blstm01_s;* transfers from May 2020 are stored in the intermediate variable *blstm02_s*; the sum is stored in the variable bls01_s. This policy can produce results for blstm02_s only if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the TransLMA_it policy, which is switched on automatically by the add-on. For more information about the modelling of labour market transitions please consult the 'Simulating labour market transitions in EUROMOD' document.

2.5.20   COVID bonus for employees *(Bonus 100€ – bls02_s)*

- *Definitions*

A lump sum bonus of 100€ has been set up to compensate the employees working at their firms' premises in the month of March 2020 during the general economic shutdown.

- *Eligibility conditions*

Positive employment income, taxable income below the threshold (40.000€ per year) and not in shutdown (lmcee_s = 0).

- *Income test*

See above.

- *Benefit duration*

Lump sum (March 2020).

- *Benefit amount*

100 euro in March 2020 (*bls02_s*).

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

In order to identify the workers eligible to the lump sum transfer a random selection of 50% has been performed, in order to proxy the share of workers at work during March 2020 and not in smart-working.

2.5.21 COVID mortgage compensation benefit *(Mortgage installment compensation– bls03_s)*

- *Definitions*

A mortgage compensation benefit has been set up for sel-employed with outstanding mortgage on the main residence from March 2020 for a maximum duration of 9 months.

- *Eligibility conditions*

Positive self-employment income, positive mortgage (*xhmo*) and subject to economic shock (*bwkmcsemy*).

- *Income test*

No.

- *Benefit duration*

Up to 9 month from March 2020.

- *Benefit amount*

Mortgage installment (*xhcmo*)

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

This policy can only produce results if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the TransLMA_it policy, which is switched on automatically by the add-on. For more information about the modelling of labour market transitions please consult the *'Simulating labour market transitions in EUROMOD'* document.
Employees can a mortgage suspension up to 18 months but this is not simulated.

2.5.22 COVID related Emergency income *(Reddito di emergenza – bsamt01_s)*

- *Definitions*

A temporary extension of the *Reddito di Cittadinanza* has been set up to compensate severe income losses during the general economic shutdown.

- *Eligibility conditions*

The transfer depends on satisfying two indicators: Indicator of Income situation (ISR) and Indicator of Asset situation (ISP) derived using the ISEE but with more relaxed conditions than usually done in the *Reddito di Cittadinanza*.

- *Income test*

See above.

- *Benefit duration*

May, June and August 2020; March, April and May 2021.

- *Benefit amount*

Up to 400€ per month for a single based on the equivalence scale parameters.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

n/a

2.5.23   Children Universal Allowance *(Assegno Temporaneo Figli minori – bfach00_s)*

- *Definitions*

A new Temporary Children Universal Allowance for families with children, previously not entitled to the Family Allowances, has been introduced since July, 1st 2021. It is called "Assegno Unico Temporaneo Figli minori" and it has been in place until February 2022 when a permanent Univeral and Unique Allowance (i.e. "Assegno Unico e Universale") replaced the existing measures supporting families with children (i.e. tax credits, Family Allowances, New born bonus, Mother bonus).

Temporary Children Universal Allowance - 2021

- *Eligibility conditions*

Families with children up to 17 years old not entitled to receive Family Allowances

- *Income test*

The benefit is paid according to the ISEE.

- *Benefit duration*

6 months from July to December 2021. Extended for additional 2 months in January and February 2022.

- *Benefit amount*

The maximum amount is 167.5€ per month per child. There are additions for families with more than one child. The minimum amount for those with ISEE between 40.000 € and 50.000€ is 30€ per month per child.

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

This policy can be switched off using the Full Year Adjustment (FYA) to reflect the system in place at June, 30th. In the 2021 baseline, the new Children Universal Allowance is switched on, taking into account within-year policy changes.

Permanent Children Universal Allowance – 2022-2023

- *Eligibility conditions*

Families with children up to 17 years old or up to 21 years old if student

- *Income test*

The benefit is paid according to the ISEE or the minimum value (i.e. 50€ per month per child) is given if the family does not submit the ISEE form.

- *Benefit duration*

From March 2022.

- *Benefit amount*

The maximum amount is 175€ per month per child. There are additions for families with more than one child and disabled. The minimum amount for those with ISEE above 40.000 € or not presenting ISEE is 50€ per month per child. Details in the table below. Amounts in 2023 have been indexed to inflation (see model for details)

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

In the current version of the model the new Children Universal Allowance is switched on in 2022 (assuming 12 months per year rather than 10) and simulated based on the following parameters:

	ISEE levels	<15.000	15.000-40.000	40.000+
Basic amount	Age < 18	175	50 + ((175-50)*(40.000-ISEE)/25.000)	50
	18-20	85	25 + ((85-25)*(40.000-ISEE)/25.000	25
Supplements	More than 2 children	85	15 + ((85-15)*(40.000-ISEE)/25.000	15
	Two parents in work	30	30 * (40.000-ISEE)/25000	0
	Disabled child	105		

Source: DLgs 230/2021

In 2023 amounts and thresholds of the Children Universal Allowance have been uprated with an index of 8.1%. Morevoer the following additonal amounts are provided:

- Increment of 50% of the amount for children below 1 year
- Increment of 50% of the amount for children between 1 and 3 years old for families with at least 3 children and ISEE below 40.000€ indexed to inflation

Increment of 50% of the lump sum amount for families with at least 4 childrenThe supplement for families with a disabled child and ISEE below 15.000€ indexed to inflation is augmented to 189.20€

In 2023 the Children Universal Allowance is simulated based on the following parameters:

	ISEE levels	<16.215	16.215-43.240	43.240+
Basic amount	Age < 18	189.2	54.05 + ((189.2-54.05)*(43.420-ISEE)/27.025)	54.05
	18-20	85	25 + ((85-25)*(40.000-ISEE)/25.000	25
Supplements	More than 2 children	85	15 + ((85-15)*(40.000-ISEE)/25.000	15
	Two parents in work	30	30 * (40.000-ISEE)/25000	0
	Disabled child	105		

Source: *circular INPS 41/2023.*

2.5.24 Energy related lump sum benefits *(bls01_s)*

- *Definitions*

A number of lump sum bonuses have been introduced in 2022 in order to cope with the increases in the cost of energy related products.

- *Eligibility conditions*

Individuals with employment income, unemployment benefits or pension income below 35.000 euro per year (in 2021) are entitled to a lump sum bonus of 200€ (INPS circular 73/2022).

Individuals with self-employment income below 35.000 euro per year (in 2021) are entitled to a lump sum bonus of 200€. If self-employment income is below 20.000 euro per year (in 2021) individuals are entitled to an additional lump sum bonus of 150€ (INPS circular 103/2022).

Individuals with employment income below 1.538 euro per month are entitled to a lump sum bonus of 150€ in November 2022 (INPS circular 116/2022).

- *Income test*

See above.

- *Benefit duration*

Lump sum.

- *Benefit amount*

See above (*bls01_s*).

- *Subject to taxes/SIC*

No

- *Take up*

n/a

- *EUROMOD modelling*

In order to identify the workers eligible to the lump sum bonus we have assumed income in 2022 being the same as in 2021.

2.6 Social insurance contributions

The incidence of social contributions on earned income is different according to: (i) the source of income (dependent, self-employment); (ii) the sector of activity (manufacturing, building, mining, publishing, public administration, handcrafting, agriculture, banking and insurance, services, cooperative sector, broadcasting); (iii) the number of persons working in the organization; (iv) the occupational status (executives, white collars, blue collars).

Due to lack of data, we simulate a simplified version of the social contribution system, by applying to all dependent workers the rates of the Industrial Sector with more than 50 employees, discriminating between blue and white collars. As for the self-employed workers we differentiate only between craftsmen, tradesmen, and farmers.

Table 2.7 List of different sectors to determine the contributory rates

General Industry	Radio and Television Industries and Show business
<=15 employees	Industrial Sector
between 15 and 90 employees	Radio and television private industries
More than 90 employees	Not employed artists
Building Industry	Bingo Arcades
<=15 employees	Developing, Print and Distribution <15
Between 15 and 50 employees	Developing, Print and Distribution >15 & <50
More than 50 employees	Developing, Print and Distribution >50
Stone Industry	Trading Sector
<=15 employees	**Commerce - Tertiary**
between 15 and 50	Commerce <=50
More than 50	Commerce > 50, <200
Handicraft	Commerce >200
Craftsman	Temporary job placement Agencies
Induced craftsman	Travel Agencies <=50
Building craftsman	Travel Agencies >50
Induced building craftsman	Cleaning Agencies <=15
Stone craftsman	Cleaning Agencies >15
Induced Stone craftsman	Security Services <=15
Agriculture	Security Services >15
Farming	Logistic Services <=50
Farms owned by a tenant farmer	Logistic Services >50 & <200
Cooperative	Logistic Services >200
State Administration	Firm Refectories <15
State Administration	Firm Refectories >15
Secular chaplain	**Special Funds**
Regular chaplain	Road haulage contractors craftsmen
Prison Inmate	Road haulage contractors industry
Work yards and reforestation	Road haulage regional or governative
State Schools	Contractors
Arts and Professions	Flight Fund
Political Parties and Unions	**Banks and Insurance**
Bingo Arcades	**Regions, Provinces, Municipalities**
Fast Mail Curriers	**Cooperatives**
Tertiary	**Personnel abroad**
	Apprentices

The average contribution rate is above 40%: part is due by the employer, part by the employee. The National Institute of Social Security (*INPS*) collects contributions for the following insurances:

- Invalidity, Old Age and Survivors (*Invaliditá, Vecchiaia, Superstiti*), which is the contribution valid for the pension

- Unemployment (*Disoccupazione*);

- Dependency benefit Fund (*Cassa Unica Assegni Familiari*);

- Redundancy Fund (*Cassa Integrazione Guadagni Straordinaria*);

- Procedure for mobility and Collective Dismissals (*Mobilità*);

- Sickness and Maternity Benefit (*Malattia e Maternità*);

- Severance Pay (TFR).

Contribution is proportional to the gross wage defined as compensation in money and in kind. The following are excluded: the amounts received as Severance Pay, as encouragement to leave, as indemnity, as insurance premium, family benefits, the amounts received as scholarships, childcare and summer camps for family members, fringe benefits within € 258.23, travelling expenses within given thresholds.

The tax base for social contributions (*limite di retribuzione per l'accredito dei contributi*) cannot be lower than a given threshold fixed by the Law. On the other hand, there is also a threshold above which contribution is no more due (*massimale annuo della base contributiva*) and it applies to workers who started their working activity after the 1st of January 1996.

In the net to gross procedure, minimum and maximum amount for social insurance contributions are switched off.

Monthly Minimum and Maximum tax base for social contribution: Employees

	2020	**2021**	**2022**	**2023**
Min	895.04	895.04	912.05	985.96
Max	8587.92	8587.92	8751.17	9460.00

Source*: INPS: circular letters n. 9/2020, 10/2021, 15/2022, 11/2023*

As we showed in Table 8, the Italian contributory system is very fragmented and we do not simulate the rates for all the possible combinations, considering that they differ very little and we do not have enough information in the data. In the following two paragraphs we report the rates of the Industrial Sector related to firms between 15 and 50 employees, discriminating between blue and white collars. which are simulated in EUROMOD.

2.6.1 Employer social insurance contributions *(tscerpi_s, tscerui_s, tscersv_s, tscerfa_s, tscersf_s, tscersi_s, tscertj_s)*

The following table reports the employer social contributions for blue collars (b.c.) and white collars (w.c.) in the four considered years, related to industrial firms with more than 50 employees.

Over recent years, a substantial reduction of the tax wedge on new contracts has been implemented in different stages by a temporary reduction in social security contributions targeted at elderly workers and women[4] and a more generous wage subsidy, corresponding to one-third of the gross salary, granted to firms hiring young workers for a period of 18 months.[5] Moreover, since the beginning of 2015, firms are exempted from paying social security contributions on new permanent contracts for three years.[6] Due to data limitation, these reductions (which last for a limited period of time) are not simulated in EUROMOD.

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[4]Fornero Law, N. 92/2012.
[5]Giovannini–Letta Law, N. 99/2013.
[6]Stability Law, N. 190/2014.

Employer social contribution rates (%), industrial firms with more than 50 employees

	2020-23	
	b.c.	w.c.
IVS	23.81	23.81
Unemployment	1.91	1.91
T.F.R.	0.2	0.2
Family allowances	0.68	0.68
Redundancy Fund	2.80	2.80
Sickness and Maternity	2.68	0.46

Source: INPS (http://www.inps.it/docallegati/mig/doc/Professionista/aliquote/aliquote.htm). Annex. Notes: b.c.: blue collars; w.c.: white collars

2.6.2 Employee social insurance contributions *(tsceepi_s, tsceesf_s, tsceetj_s)*

The following table reports the employee social contributions for blue collars (b.c.) and white collars (w.c.) in the four considered years, related to industrial firms with 15-50 employees.
In 2022 a temporary reduction of social security contributions has been implemented for employees with gross earnings below 35.000€

Employee social contributions, rates (in %)

	2020-21		2022	2023
	b.c.	w.c.	b.c and w.c.	b.c and w.c.
IVS	9.19	9.19	8.39 if gross wage <= 35.000€ 9.19 if gross wage > 35.000€	Jan – June 6.19 if gross wage <= 25.000€ 7.19 if gross wage > 25.000€ & < 35.000€ July – December 2.19 if gross wage <= 25.000€ 3.19 if gross wage > 25.000€ & < 35.000€ +1 p.p on gross wage above 52.1900€
Redundancy Fund	0.30	0.30	0.30	

Source : INPS (http ://www.inps.it/docallegati/mig/doc/Professionista/aliquote/aliquote.htm). Notes: b.c.: blue collars; w.c.: white collars.

Within the same policy sheet of employer and employee social insurance contributions we simulate the contributions related to temporary job (*co.co.co.*) as well.

Temporary job (*co.co.co*) Social contributions, Maximum tax base and rates (in %)

	maximum	employer	employee
2020 *	103.055	22.48	11.24
2021 *	103.055	22.48	11.24
2022 *	105.014	23.36	11.67
2023 *	113.520	23.36	11.67

*Notes : * extra contribution for DIS-COLL not considered. Source : INPS circular letters n. 19/2019, 12/2020, 12/2021, 25/2022, 12/2023*

The values recorded as voucher (established with the so called Jobs Act) are subject to a conhtribution of 25% (including 5% due to those who released the voucher) – tsceeaj_s

2.6.3   Self-employed social contributions

In the same way as the subordinate employment social contributions, self-employed social contribution provides a minimum and a maximum level of income, below and above which contribution is no more due. In the following table we summarize the minimum income (*minimale*) and the maximum income (*massimale*) for computing contribution for craftsman and retailers.

Monthly Minimum and Maximum wages for social contribution: Craftsmen and Retailers

	2020	2021	2022	2023
Min	1329.42	1329.42	1353.58	1458.66
Max	6580.42	6580.42	6705.42	7248.58

Source: *INPS Circular Letters 25/2019, 28/2020, 17/2021, 22/2022, 19/2023*
Note: *Minimum and Maximum wages are defined in yearly terms: the figure shows the official amounts divided by 12.*

In the baseline simulation minimum limits are switched off.

For farmers, instead, the criterion for determining the contributory amount is based on the definition of a *normal income*, which is defined by law each year and differentiated for the age of the worker (younger or older than 21 or older than 65), the location of the land (normal, mountain or depressed areas) and the type of activity.

Note that we simulate the benefit for farmers on the basis of their *actual* (declared) income, since from the data we have it is impossible to recover all the information needed to find the *normal income*.

The following table reports the self-employed social contributions levied on self-employment income (*yse*) for craftsman (crm), retailers (ret) and farmers (agr) in the four considered years:

Self-employed social contributions, rates (in %)

	2020			2021			2022			20	
	crm	**ret**	**agr**	**crm**	**ret**	**agr**	**crm**	**ret**	**agr**	**crm**	**r**
IVS (%), >21 years	24	24.09	24	24	24.09	24	24	24.48	24	24	24
IVS (%), <=21 years	21.90	21.99	24	22.35	22.44	24	22.80	23.28	24	23.25	23
23.73Maternity (€ per year)	7.44	7.44	7.49	7.44	7.44	7.49	7.44	7.44	7.49	7.44	7

Source: INPS circular letter n. 27/2018, 81/2018, 25/2019, 91/2019, 28/2020, 17/2021, 22/2022, 19/2023
Note: crm: craftsman. ret: retailers. agr: farmers.

For craftsman and retailers, if the contributory base exceeds the threshold reported in the table below, the above contribution rates are increased by one percentage points on the income above the threshold.

	threshold
2020	47,379
2021	47,379
2022	48,279
2023	52,190

Source: INPS circular letters n. 27/2018, 25/2019, 28/2020, 17/2021, 22/2022, 19/2023

2.7 Direct taxes

The main tax simulated for Italy is the Personal Income Tax (*IRPEF - Imposta sul Reddito delle Persone Fisiche, tinna_s*). All residents are responsible to pay IRPEF on their income (and non resident for income produced in Italy).

2.7.1 Tax unit

Personal Income Tax is individual. However, the dimension and the composition of the family are taken into account by mean of tax allowances and tax credits due to the presence of "fiscal dependent" persons. In order for a family member to be considered *dependent* she has to live within the same residence as the reference individual and her income cannot exceed 2.840,51 euro (*ils_origrepy*). Since 2019, a child is defined *dependent child* if she has an income of less than 2.840,51 euro (as it was previously without implications related to the age) or less than 4.000 euro if younger than 24 years old.

2.7.2 Exemptions

The following income components are not included in the concept of gross income:
- Incomes subject to withholding taxation (mainly income from financial assets (*yiy*), such as capital gains and dividends (*yiydv*));
- Income subject to separate taxation as, for example, salary arrears (*yempv*), pensions paid out in form of capital (*ypp01*), and severance pay (*yunsv*);
- Incomes free of income tax as, for example, school benefits (*bed*), some disability pensions (*pdi*), social allowance for elderly (*poamt*), family allowances (*bfacpxc_s, bfalp_s, bfacpwc_s*), child benefits (*bchot*), fringe benefits only if below 258.23 euro (*kfb*).

2.7.3 Tax allowances

In 2007 the tax allowances system has been totally renewed, since numerous tax allowances have been replaced by a set of tax credits. The following tax allowances remain the same over the four fiscal years considered (2019-2022) with some changes to the tax credits related to income sources.

The main tax allowances are social contribution due by self-employed (*ils_sicse*) individuals and contribution to private pension plans (*tintapv_s*). Contributions paid by employed (*ils_sicee*) are subtracted by the dependent income (*yem*) but formally they are not a tax allowance as dependent income is included in the taxable income net of contributions. With respect to the contribution to private pension plans, tax deduction cannot exceed the 12 % of individual total income (*il_taxableY*) and in any case it cannot be greater than 5,164.54 euro per year.
Another important tax allowance is the tax deduction for the main residence equal to its cadastral income (*amriv*).
Other tax allowances are related to disabled persons health expenses, grants to religious institutions, expenses for domestic help (*tintaox_s*). Due to lack of information in the data, the amount of these allowances is given by a coefficient (defined by income classes and calibrated on the aggregate information collected from the Ministry of Finance) multiplied by individual income.

2.7.4   Tax base

The tax base is defined as gross income minus the various exemptions outlined above. The gross income is defined as the sum of the following income sources:

- 85% of income from Land and Buildings (*tintbrt_s*): from 2011 a separate taxation on rental income can be applied at a flat rate equal to 21% (simulated in *tinrt01_s*) or 10% (simulated in *tinrt02_s*) and, as a consequence the income from Land and Buildings is not included anymore in the tax base for the Personal Income Tax neither at national level nor at regional and municipal level. In the input data, rental incomes have been split in three components: *yprrt01* subjet to IRPEF, *yprrt02* subject to 21% and *yprrt03* subject to 10%.
- Income from Employment (*yem*) and assimilated incomes as vocational training (*bunst*), redundancy payment (*bunct01*), income from mobility and collective dismissals (*bunct02*), income received by people aged under 15 (*yot*), old age pension (*poa*), survivor pension (*psu*), invalidity pension (*phl*)
- Fringe benefits (*kfb_s*) exceeding 258.23€ per year
- Income from Self-Employment (*yse*) and maternity benefits for self employed people (*bmase*)
- Capital component of private supplementary pensions (assumed to be 70% of total, *ypp02*)
- Cadastral income of main residence (*amriv* – then completely deducted) and other residence (*aobiv*): in 2012 with the introduction of the new Property Tax (*IMU*) the cadastral value of all residences is not included anymore in the tax base for the Personal Income Tax. Since 2013 50% of cadastral income should be included in the tax base if the residence is not rented and it is located in the same municipality of the main residence. Due to lack of data this is not simulated.

The income tax base includes components which are not included in the underlying data such as credits and compensation for losses from previous fiscal years.

2.7.5   Tax schedule

Income taxation is graduated, with progressively higher marginal tax rates applying to higher income brackets. There are five income brackets in the period 2019-2021 reduced to four since January 1st, 2022.

Income brackets (2019-2021)

Income Brackets (Euro per year)	Tax rate (%)
≤15,000	23
15,000-28,000	27
28,000-55,000	38
55,000-75,000	41
≥75,000	43

Source: Agenzia delle Entrate

Income brackets (2022-2023)

Income Brackets (Euro per year)	Tax rate (%)
≤15,000	23
15,000-28,000	25
28,000-50,000	35
≥50,000	43

Source: Agenzia delle Entrate

Starting from 2019 and up to 2021 there is a solidarity contribution (tinto_s *contributo di solidarietà*) on pensions above 100.000 euros with a schedule of progressive tax rates from 15% up to 40% for pensions above 400.000 euros (thresholds reevaluated every year). According to the rules it is simulated as a cut gross in public pensions before the simulation of income tax (INPS, circular letter 62/2019).

2.7.6 Tax credits

Tax credits are classifiable into 4 classes which apply all along the four fiscal years considered. Some of them have been introduced in 2007 to replace the previous scheme of tax allowances.

All tax credits are non-refundable: as a consequence, the tax liability cannot be negative.

Tax credits for personal expenses

It is possible to subtract from the tax liability the 19% of 36 different cases from health expenses to education expenses, to gifts to art or sport institutions, to travel expenses for commuters, and many others. The most important are the following:

- Interests paid on mortgage loans (*xhcmomi*) for the purchase of the main residence, not exceeding 4,000 euro (*tintcmi_s*);

- Health Expenses (for the amount exceeding 129.11 euro), also for the dependent family members, guide dog and expenses for visual, hearing or deambulation aids for disabled persons;

- Life premium and insurance premium against permanent disability, not exceeding 1,291.14 euro;

- Expenses for high and university education;

- Funeral Expenses;

- Donations to non profit organizations;

All the tax credits but *tintcmi_s* are imputed by applying a coefficient calibrated by income classes to get the total amount of tax credits as reported in the aggregate fiscal data.

Tax credits with incentive purposes

In order to stimulate some consumers' behaviours the following tax credits are allowed:

- For tenants subject to controlled rent contracts (Contratti Convenzionali), 495.80 euro if total income is less than 15,493.71 euro and 247.90 euro if total income is between 15,493.71 and 30,987.41 euro;

- For tenants who are employees and move their main residence closer to their working place, being in a different region and further than 100 Km from the original location, 991.60 euro if total income is less than 15,493.71 euro and 495.80 euro if total income is between 15,493.71 and 30,987.41 euro;

- The 36% (optional at 41% starting from 2006, not simulated) of the expenses for the refurbishment of buildings, not exceeding 48,000 euro (*tintc01_s*);

- The 55% of the expenses for energy conservation's interventions.

Within this list, due to lack of data we simulate only the tax credit for the expenses for the refurbishment of buildings (36%), by applying a calibration coefficient which takes into account the possibility of claiming this tax credit in 5 or 10 years.

Tax credits for income source

The tax credits for income source apply in a different way to different classes of taxpayers: employees (*tintcee_s*), pensioners aged 75 and above, pensioners aged below 75 (*tintcpe_s*) and self-employed workers (*tintcse_s*).

The tax credits define a *no tax area* for the four classes of taxpayers and it is then linearly decreasing in the level of gross income minus the cadastral value of the main residence (*il_taxabley_pertc*). At 55,000 euro the tax credit is zero.

If more than one source of income is received, the tax credits apply in proportion to the period the individual received that source of income.

Over the period several changes occurred in the amounts of the tax credits and all are simulated in the model. Since 2022 the tax credits are more generous as detailed in the table below.

Tax credits for income source, amounts per year (2020- 2023)

2020-2021		2022-2023	
Employment income and assimilated (*il_emp*)			
0- 8,000	1,880	0-15,000	1,880
8,001-28,000	978+ (902*(28,000-*il_taxabley_pertc*)/20,000)	15,000-28,000	1,910+1,190*(28,000-*il_taxabley_pertc*)/13,000
28,001-55,000	978*((55,000-*il_taxabley_pertc*)/27,000)	28,000-50,000	1,910*(50,000-*il_taxabley_pertc*)/22,000
Pensions (*il_pensions*)			
Until 8,000	1,880	0-8,500	1,955
8,001-15,000	1,297+583*((15,000-*il_taxabley_pertc*)/7,000)	8,500-28,000	700+1,255*(28,000-*il_taxabley_pertc*)/19,500
15,001-55,000	1,297 * ((55,000-*il_taxabley_pertc*)/40,000)	28,000-50,000	700*(50,000-*il_taxabley_pertc*)/22,000
Self-employment income (*yse*)			
Until 4,800	1,104	0-5,500	1,265
4,801-55,000	1,104 *((55,000-*il_taxabley_pertc*)/50,200)	5,500-28,000	500+765*(28,000-*il_taxabley_pertc*)/22,500
		28,000-50,000	500*(50,000-*il_taxabley_pertc*)/22,000

Source: Agenzia delle Entrate

Since 2022 there are additional tax credits for employment income (65€ for those with *il_taxabley_pertc* between 25,000 and 35,000*)*, pensions (50€ for those with *il_taxabley_pertc* between 25,000 and 29,000) and self-employment income (65€ for those with *il_taxabley_pertc* between 11,000 and 17,000).

The tax credits related to employment income and pensions depends on the number of months in receipt of the given income source. The tax credit for employment income cannot be lower than 1,380€ per year if the individual has a temporary contract (*lap00 = 1*) or lower than 690€ per year otherwise (*lap00 = 0*). The tax credit for pensions cannot be lower than 713€ per year.
They cannot be summed up, and the individual can choose the most profitable one.

A new tax credit for employment income has been introduced for the period July-December 2020 and it is simulated together with the "Bonus IRPEF", furtherly changed since 2022, see section on Bonus IRPEF.

Tax credits for dependent family members

The tax credits for dependent family members are different for the spouse, the children and other family members. Moreover, the tax credit changes with the children age (more or less then three years old) and the number of the children.

The tax credit is decreasing in individual gross income (*il_taxabley_pertc*) and it is computed according to the following table:

Tax credits for dependent family members, amounts per year, 2020-2023

Spouse	
Up to 15,000	800-(110 *(*il_taxabley_pertc* /15,000))
15,001 – 29,000	690
29,001 – 29,200	700
29,201 – 34,700	710
34,701 – 35,000	720
35,001 – 35,100	710
35,101 – 35,200	700
35,201 – 40,000	690
40,001 – 80,000	690*((80,000- *il_taxabley_pertc*)/40,000)
80,000+	0
Child < 3 years old (potential tax credit) *	
1220	
Child >=3 years old (potential tax credit) *	
950	
Others	
(750* number of dependent persons) * ((80,000 – *il_taxabley_pertc*) / 80,000)	

Source: *Agenzia delle Entrate*

The potential tax credit for dependent child is increased by 200 euro starting from the first child if there are more than three children.

To compute the final tax credit is necessary to calculate an "increment" given by the number of dependent children minus 1 times 15,000 (*sin09_s*).

Then we need to find the tax credit coefficient, by applying the following formula:

(95,000+Increment (i.e. *sin09_s*) - Total income (i.e. *il_taxableYpertc*))/ (95,000 + Increment (i.e. *sin09_s*))

The final amount of the tax credit for dependent children (*tintcch_s*) is equal to 0 when the tax credit coefficient is less than or equal to 0 (or equal or larger than 1). If the tax credit coefficient is between 0 and 1, the tax credit for dependent children is equal to the potential tax credit times the tax credit coefficient

Usually the parents split the allowance 50% each (as in the baseline simulation). However, the parents can decide to assign the allowance to the one with the highest income.

If the head of tax unit is a lone parent and the tax credit for the potential spouse is greater than the tax credit for the oldest child, the difference is given as additional tax credit for lone parent (*tintclp_s*)

Tax credits for families with at least four children

Moreover, an additional refundable tax credit of 1,200 euro is given to families with at least four children (and for the whole year, regardless on when the fourth child was born).

* Since March 1st, 2022 the tax credits for children have beel replace by the new Universal and Unique Allowance for children. Tax credits are still in place only for children older than 18 year old or 21 is students.

2.8   Other taxes

2.8.1   Personal Income Regional additional tax (Addizionale Regionale all'IRPEF)

The regional additional tax (*Addizionale Regionale*) is computed on the same tax base (*il_taxabley_regtax*) as the personal income tax (*IRPEF*). The tax rate is 0.9% but each region can increase it of at most another 0.5%. In the following table we provide the tax rates for each region in the four considered years.

Taxation is generally graduated, with progressively higher marginal tax rates applying to higher income brackets except where the income brackets are asterisked (*): in that case the tax rate applies to the whole income according to the relevant classes. The simulated tax is stored in the variable *tinrg_s*. Note that the regional additional tax is positive only if the national personal income tax (after tax credits, i.e. *tinna_s*) is positive.

Personal income regional additional tax rates, by region, 2020-2023

Var. drgn2	Region	2020		2021 (if different from 2019)	2022 & 2023	
		Income Brackets	Tax rate %		Income Brackets	Tax rate %
1	Piemonte *	≤15000 15000-28000 28000-55000 55000-75000 >75000	1.62 2.13 2.75 3.32 3.33		≤15000 15000-28000 28000-50000 >50000	1.62 2.13 2.75 3.33
2	Valle d'Aosta	≤15000 >15000	0 1.23	≤15000 0 >15000 1.23	≤15000 >15000	0 1.23
3	Lombardia	≤15000 15000-28000 28000-55000 55000-75000 >75000	1.23 1.58 1.72 1.73 1.74		≤15000 15000-28000 28000-50000 >50000	1.23 1.58 1.72 1.73
4	Bolzano	≤75000 1.23 >75000 1.73 Tax deduction of 35.000 euro for all taxpayers. *A tax credit of 252 euros is allowed for each child, if income (including rental income subject to separate taxation) below 70.000 euro per year.*			≤15000 15000-28000 28000-50000 >50000	1.23 1.23 1.23 1.73 *Tax credit of 430.5 euros*

5	Trento *	≤55000 >55000 If taxable income < 15000 tax rate equal to 0	1.23 1.73		≤15000 15000-28000 28000-50000 >50000 If taxable income < 15000 tax rate equal to 0	1.23 1.23 1.23 1.73
6	Veneto		1.23			1.23
7	Friuli Venezia Giulia	<15000 >15000**	0.7 1.23		≤15000 >15000 **	0.70 1.23
8	Liguria	≤15000 15000-28000 28.000-55.000 55.000-75.000 >75000	1.23 1.81 2.31 2.32 2.33		≤15000 15000-28000 28000-50000 >50000 * additional child tax credit	1.23 1.81 2.31 2.33 (second tax rate = 1.79 in 2023)
9	Emilia Romagna	≤15000 15000-28000 28000-55000 55000-75000 ≥75000	1.33 1.93 2.03 2.23 2.33		≤15000 15000-28000 28000-50000 >50000	1.23 1.93 2.03 2.27
10	Toscana	≤15000 15000-28000 28000-55000 55000-75000 >75000	1.42 1.43 1.68 1.72 1.73		≤15000 15000-28000 28000-50000 >50000	1.42 1.43 1.68 1.73
11	Umbria	≤15000 15000-28000 28000-55000 55000-75000 >75000	1.23 1.63 1.68 1.73 1.83		≤15000 15000-28000 28000-50000 >50000	1.23 1.62 1.67 1.83
12	Marche	<15000 15000-28000 28000-55000 55000-75000 >75000	1.23 1.53 1.70 1.72 1.73		≤15000 15000-28000 28000-50000 >50000 * additional child tax credit	1.23 1.53 1.70 1.73
13	Lazio *	<35000 If > 35000 0-15000 15000-28000 28000-55000 55000-75000	1.73 1.73 2.73 2.93 3.23		≤15000 15000-28000 28000-50000 >50000	1.73 3.33 3.33 3.33 Only in 2022: 1.73 if

						income<35000 (or <50000 with children *)
		75000+	3.33			
14	Abruzzo		1.73			1.73
15	Molise	<15000 15000-28000 28000-55000 55000-75000 >75000	1.73 1.93 2.13 2.23 2.33		≤15000 15000-28000 28000-50000 >50000	1.73 1.93 2.13 2.33
16	Campania		2.03		≤15000 15000-28000 28000-50000 >50000 * additional child tax credit	1.73 2.96 3.20 3.33
17	Puglia *	<15000 15000-28000 28000-55000 55000-75000 >75000	1.33 1.43 1.71 1.72 1.73		≤15000 15000-28000 28000-50000 >50000	1.33 1.43 1.63 1.85
18	Basilicata *	<55.000 55.000-75.000 >75000	1.23 1.73 2.33			1.23
19	Calabria		1.73			1.73
20	Sardegna *		1.23			1.23
21	Sicilia		1.23			1.23

Source: http://www1.finanze.gov.it/finanze2/dipartimentopolitichefiscali/fiscalitalocale/addregirpef/sceltaregione.htm
* In Piemonte, Lazio, Liguria, Puglia, Basilicata, Trento and Sardegna the tax credits for dependent children (usually if more than 3 in the family) are increased at regional level, not simulated. ** Tax rate applied on the total taxable income if taxable income within the range or above the threshold

2.8.2 Taxation on Capital Income

Capital income is mainly subject to separate taxation. The separate taxation regime is articulated into two different tax rates shown in the table below. Long-term savings is encouraged by applying the lower rate.

In addition private pensions paid out in form of capital, arrears and severance pay are subject to separate taxation as well.

In the 2011 a reform of the taxation of capital incomes changed the tax rates levied on the Interests on bank and postal accounts (from 27% to 20%) and on the Interests on long-term bonds and dividends (from 12.5% to 20%). The exception remains related to the state bonds which are taxed at a lower 12.5% rate. From 1st July 2014 the standard rate increased to 26%.

Source of income (variable name)	Rates (%)
	2020-2023
Interests on bank and postal accounts (*yiyitdp*)	26.0
Interests on State bonds and Postal Bonds (*yiyitsb*)	12.5
Interests on long-term bonds - more than 18 months (*yiyitob*)	26
Dividends (*yiydv*)	26
Interests on Severity Benefit Funds and Private pensions Funds (Not simulated)	20
Private pensions paid out in form of capital (*ypp01*)	26.0
Arrears (*yempv*) and severance pay (*yunsv*)	26.0

Source: Bosi Guerra. various year. The increase of the tax rates from 1st July 2014 is simulated as if it was in place for the whole 2014.

2.8.3 Property tax

In 2009-2011, ICI is simulated (*tprob_s*) on the cadastral value of other buildings (raised by 5% and multiplied by a coefficient equal to 100) with an average tax rate equal to 0.64%.

Starting from fiscal year 2012, the Property Tax has been redesigned. The new tax is the IMU – *Imposta Municipale Propria*. The new tax is due by the same subjects as ICI.

The tax base for buildings registered at the cadastre is the cadastral value (*amriv* and *aobiv*, for main residence and other buildings respectively) raised by 5% and multiplied by a coefficient equal to 160.

Tax rates are different according to the type of building and municipalities can modify them. The baseline rates are: 0.4% for the main residence (*tprmr_s*); 0.76% for other buildings (*tprob_s*). In the case of main residences there is a deduction of 200 euro plus 50 euros for each dependent children aged 26 or less living in the household.

In 2013 the IMU on the main residence has been suspended.

In 2014 the new tax TASI has been applied to the cadastral income of main residences (*amriv*) raised by 5% and multiplied by a coefficient equal to 160. Tax rates are different according to the type of building and municipalities can modify them: in the simulation an average tax rate of 0.0017 has been applied, without considering any tax credit (due to lack of data).

Since 2016 the TASI on the main residence has been abolished.

2.8.4 Personal income tax on rental income

Starting from fiscal year 2011, rental incomes can be subject to a withholding tax rate equal to 21% instead of being part of the taxable income (with an exemption of 15% (or 5% since 2013) of total rental income). The choice is up to the tax payer.

In the input data, rental incomes have been split in three components: *yprrt01* subjet to IRPEF (tintbrt_s included in the IRPEF taxable income), *yprrt02* subject to 21% (simulated in *tinrt01_s*) and *yprrt03* subject to 10% (simulated in *tinrt02_s*).

Alternatively, the user can decide to include the property income in the taxable base for national and regional IRPEF by switching on\off the relevant functions.

2.8.5 Bonus "IRPEF" (previously known as Bonus "80 euro" *- tintceent_s)*

Since May 2014 a new bonus is given to employees with taxable income below 26.000 euro per year. The bonus has been made definitive since January 2015 and transferred every month, for a maximum total of 960 euro per year. The annual amount depends on the number of days worked over the year.

In order to be eligible for the bonus the employees must earn over the year at least 8.000 euro (8174 euro since 2018), which is the limit below which the employee does not pay income tax.

The maximum amount (i.e. 80 euro per month) is given to employees with a taxable income below 24.000 euro per year and then it is linearly decreasing up to a maximum taxable income of 26.000 euro (from 2018 the thresholds are respectively 24.600 euro and 26.600 euro).

The bonus is paid until 30/6/2020. Since 1/7/2020 the bonus is increased to 100 euro per month and given to employees with a taxable income below 28.000 euro per year.

Employees with income between 28.000 and 40.000 euro per year will receive a new tax credit for the period July-December 2020 and from January 2021 (depending on the number of working days):

Annual income	Annual tax credit
28.001 – 35.000	480 + 120*(35.000-total income)/7000
35.001 – 40.000	480 *(40.000-total income)/5000

Source: Law 2 aprile 2020 n. 21

The new tax credit has been simulated in the same policy as Bonus "IRPEF" and the amount added to it.

Since 2022 the tax credits have been modified. The previously known as Bonus "IRPEF" is now called Integration for employment income ("Trattamento integrative dipendente" based on the following rules:

Annual income	Annual tax credit
8,174-15,000	1,200
15,000 – 28,000	Min [1,200; (tax credit on income sources – (Gross IRPEF tax – family tax credits – other tax credits))]

Source: Law 30 dicembre 2021 n. 234

This policy can be switched off using the Full Year Adjustment (FYA) to reflect the system in place at June, 30th. In the baseline, the new additional tax credit is switched on, taking into account within-year policy changes.

3. DATA

3.1 General description

3.1.1 EUROMOD SILC Database (EMSD)

From 2022 onwards, a new database prepared by Eurostat - EUROMOD SILC database (EMSD) is used to derive the EUROMOD input dataset. The EMSD includes:

- all UDB (User Database) variables (each variable is described in the doc 65 available online);

- national SILC data supplied by the National Statistical Institute (NSI);

- EUROMOD variables created and imputed by Eurostat because of restricted data access or knowledge in-house.

Based on the EMSD, the national team derives additional variables requiring a deep understanding of country specificities (for instance national tax-benefit rules). The final EUROMOD input dataset is therefore made of variables created by both Eurostat and national team.

Some of the EUROMOD variables produced by Eurostat are created and/or imputed with PDB (Production Database) variables. The reason being that the modalities of the PDB variables are more detailed than in UDB. According to the agreement between the NSI and Eurostat, the national team was allowed to use the more detailed information coming from the PDB to derive some EUROMOD variables or to use them as intermediate variable to impute other EUROMOD variables.

However, if the users want to compute their own EUROMOD input data with the formula provided in the DRD file, he/she may encounter differences for some EUROMOD variables because the PDB variables are not available.

Table 3.1 EUROMOD database description

	Year 2020 (income reference period)
EUROMOD database	IT_2021_b1
Original name	ITSILC 2021
Provider	ISTAT
Year of collection	2021
Period of collection	2021 Q4
Income reference period	2020
Sampling	2-stage sampling; with stratification of sampling units (no clustering of sampling units)
Unit of assessment	Italian household defined as cohabitants related through marriage, kinship, affinity, adoption, patronage and affection.
Coverage	Private households
Sample size	38,374 individuals
	18,561 households

3.1.2 Weights

The weights provided in the Italian SILC are household weights, imputed for each person in the household. The weights were developed in four steps. The initial weights are the inverse of the

inclusion probability of each household. The second step contains a slight correction for non-response both at household and individual level. Later, correction for over/under representation of certain population groups is implemented through calibration taking account of NUTS I-level and NUTS II-level, age, sex, amount of national and non national population. Finally, an integrative calibration is performed to make sure that members in the same household all receive the same weight. The following Table presents some basic descriptive statistics of the Grossing-up weights.

Table 3.2 Descriptive Statistics of the Grossing-up weights

	IT_2021_b1
Number	38,374
Mean	1532.40
Median	982.61
Minimum	8.97
Maximum	21859.32
Max/Min	2436.14
Decile 1	229.95
Decile 9	3474.17
Dec 9 / Dec1	15.11

3.1.3   Item non-response and under-reporting

An overview of item non-response is provided in the Italian SILC Quality Report.

Concerning under-reporting, the Italian SILC Quality Report makes comparisons between some income target variables and the number of persons who receive income from each 'income component', with external sources. In particular, as external benchmarks, they use data from National Accounts and Labour Force Survey by ISTAT, Fiscal Agencies of the Ministry of the Economy and Pensions Register by INPS (National Institute for Social Security). The checked variables are: (i) Employee cash or near cash income (PY010N); (ii) a variable computed as the sum of Old-age benefits (PY100N), Survival benefits (PY110N) and Disability benefits (PY130N). No appreciable differences are found.

3.2   Data adjustment

Adjustments to variables are kept to a minimum. There is some minor data cleaning that is done to make sure that the relationships of individuals within households, are coherent (for example, that both partners identify each other correctly, to rule out inconsistencies in family structure).

3.3   Imputations and assumptions

3.3.1   Time period

All income information in EU-SILC 2021 (as well as in IT-SILC) refers to the fiscal year 2020 (January – December). Monetary amounts in the original variables are normally expressed in yearly totals, unless otherwise is indicated. For most income variables, information is included on how many months a certain income or benefit was received.

For the construction of the EUROMOD database from the Italian SILC, all monetary amounts are re-scaled to "an average month", dividing yearly amount by 12.

In the EUROMOD database, the information refers as much as possible to the income reference period (i.e. 2020). Different sources of information available in EU-SILC are combined in order to ensure a consistent picture with regard to income sources and non-monetary information such as labour market and socio-economic characteristics. In order of preference:

- Direct information from IT-SILC referring to the income reference period (e.g. monthly labour market information) is being used where possible.

- In addition, information on the income reference period is derived from the current reference period (e.g. education activity, labour market activities).

- If no alternative is available, the current value is taken as the best proxy for the value during the income reference period (e.g. hours usually worked per week)

In this way, we approximate best the general consistency of the personal and household characteristics with the incomes that are reported.

Moreover, all children born after 31 December 2020 are dropped from the dataset.

3.3.2   Gross incomes

Although original data provide both net and gross income values for some income aggregates, we use only net value and reconstruct gross incomes at detailed level (i.e. each income source separately), according to the tax rules in place in 2020, via a net to gross procedure that uses EUROMOD itself, running it in an interative way in order to get convergence.

Using information from SILC there is evidence of over reporting of self-employment income with respect to the reporting to the tax authority, mainly attributable to tax evasion. Self-employment income recorded in the survey has been split in two components, assuming that only part of the total income has been declared to the tax authority and then grossed up. A calibration factor has been applied in order to obtain an aggregate amount of the gross self-employment income corresponding to that reported in fiscal data. The user can decide whether running EUROMOD considering such a correction for tax evasion or not (sheet *TCA_it*). Tax compliance adjustment is switched ON by default.

3.3.3   Other imputed variables

Due to lack of information in the IT-SILC 2021 data, the variables *amriv* and *aobiv* (cadastral value of main and secondary residences, respectively) have been imputed based on the info contained in the survey and the aggregate amounts provided by the Mnistry of Economics and Finance. Two sets of variables are released related to investment income: *yiy* (and its components) is derived from info contained in the survey; *yiyiv* (and its components) is calibrated based on the aggregate amounts provided by Bank of Italy. For more details see Ceriani, Fiorio and Gigliarano (2013).

3.4   Updating

To account for any time inconsistencies between the input dataset and the policy year, updating factors are used. Each monetary variable (i.e. each income component) is updated so as to account for changes in the non-simulated variables that have taken place between the year of the data and the year of the simulated tax-benefit system. Updating factors are generally based on changes in the average value of an income component between the year of the data and the policy year.

As a rule, updating factors are provided both for simulated and non simulated income components present in the input dataset. Note however that in the case of simulated variables, the actual simulated amounts are used in the baseline rather than the uprated original variables in the dataset. Updating factors for simulated variables are provided so as to facilitate the use of the model in cases when the user wishes to turn off the simulation of a particular variable.

No other updating adjustments are employed. Thus the distribution of characteristics (such as employment status and demographic variables) as well as the distribution of each non simulated income source remain as they were in 2020. The indexation of public pensions follows the institutional rules (uprating by bands and up to some limits) and it is implemented in the policy *uprate_bands_it*. See the model for details.

Table 3.3 Raw indices for deriving EUROMOD uprating factors

	2020	2021	2022	2023
HICP	103.03	105.03	114.2	121.2
Salary index, private sector	103.5	104.47	105.3	106.4
Salary index, public sector	105	105	105.67	109.6
Interest rate	127.18	127.28	128.99	132.4
Property income index	150.43	153.26	165.53	174.04
Cadastral income index	0.5101	0.5214	0.5505	0.5505
Self-employment income index	46.48	47.5	50.16	52.73
FOI index	150.43	153.26	165.53	174.04
Total social assistance fund	381.8	385.9	385.9	385.9
Unemployment benefit threshold, EUR\month	1335.4	1335.4	1360.77	1470.99
Disability benefit threshold	930.99	938.35	946.8	959.21
Disability pension threshold	310.48	310.48	316.38	339.48
Old age pension_avg	1224.03	1246.92	1316.55	1316.55
Survivors pension average	642.49	649.69	685.97	685.97
Disability pension average	434.09	463.88	489.78	489.78
Invalidity pension average	715.55	720.24	760.46	760.46

4. VALIDATION

4.1 Aggregate Validation

EUROMOD results are validated against external benchmarks. Detailed comparisons of the number of people receiving a given income component and total yearly amounts are shown in Annex 3. Both market incomes and non-simulated taxes and benefits in the input dataset as well as simulated taxes and benefits are validated against external official data. The main discrepancies between EUROMOD results and external benchmarks are discussed in the following subsections. Factors that may explain the observed differences are also discussed.

It is important to remember that baselines referring to policy systems 2020 and 2021 run on IT_2021* dataset while policy systems 2022 and 2023 run on IT_2019* dataset in order to avoid to be biased by COVD-19 related shocks.

In general, one caveat needs to be considered:

- the validation is related to the simulations based on the "Full Year Adjustment" to consider the number of months in which the policies exist over a given year.

- the validation does not consider any labour market transition that can be applied using the LMA add on because labour market shocks are already observed in the data. With data IT_2019* the user can swith on the "Labour Market Adjustment add-on" to simulate the labour market shocks and related policies occurred in 2020 and 2021.

4.2   Components of disposable income

Comparison of the composition of disposable income used in EUROMOD and in IT-SILC is shown in the following table. The main difference in definitions is the exclusion in EUROMOD of non-monetary income from using a company car. In addition, the components of disposable income which are predominantly simulated in EUROMOD are shown in italics.

Table 4.1 Components of disposable income

	EUROMOD [2020-2023]	IT-SILC [2021]
	ils_dispy	HY020
Employee cash or near cash income	+	+
Employer's social insurance contribution	0	0
Company car	0	+
Contributions to individual private pension plans	-	0
Cash benefits or losses from self-employment*	+	+
Pension from individual private plans	+	+
Unemployment benefits	+	+
Old-age benefits	+	+
Survivor' benefits	+	+
Sickness benefits	+	+
Disability benefits	+	+
Education-related allowances	+	+
Income from rental of a property or land	+	+
Family/children related allowances	+	+
Social assistance	+	+
Housing allowances	+	+
Regular inter-household cash transfer received	+	+
Interests, dividends, etc.	+	+
Income received by people aged under 16	+	+
Regular taxes on property	-	-
Regular inter-household cash transfer paid	-	-
Tax on income and social contributions	-	-
Repayments/receipts for tax adjustment	0	+

Note: *Self-employment income in EUROMOD only takes values greater or equal to 0, i.e. it ignores losses from self-employment EUROMOD

4.2.0   Validation of market incomes

The first table in Annex 3 (A3.1) compares the number of recipients of either employment or self-employment income in EUROMOD's input database to the corresponding information obtained

from the Ministry of Economic and Finance (personal income tax returns, hence covering only income components subject to personal income tax). No adjustment is made to reflect employment/self-employment trends in subsequent years. The number of people receiving employment and self employment income in SILC is relatively in line with external statistics. The small overrepresentation could be caused by double counting of individuals that receive different income sources and individuals not declaring their income to tax authority. In general, the comparison of the number of recipients needs to be done with caution because the unit of analysis in the survey and in the administrative statistics are not always strictly comparable. This is, in particular, the case of property income but also self-employment income because the same individual can have more than one source of self-employment income.

Table A3.2 shows the aggregate amounts of income received as reported in SILC (after the net-to-gross procedure) and external statistics. The survey matches quite well the administrative sources. The comparison of the property income with external statistics might be particularly problematic due to the inclusion of different components in the aggregate statistics. Gross wages are represented quite accurately. Self-employment incomes are adjusted for tax compliance and hence the statistics correspond closely by construction. The forst part of the table reports the total amounts of each components, not only the part subject to personal income tax: this is, in particular, the case of self-employment income components.

Usually, these numbers in the tables can be used to evaluate how well income data are updated to represent future years. However, SILC 2021 has been conducted during the first COVID pandemic year and hence is used only to simulate 2020 and 2021. 2022 and 2023 have been simulated using IT_2019 dataset updating monetary values using updating indexes.The unchanged socio-economic structure of the data (i.e. we do not apply any re-weighting of the data) could be a potential problem in the representation of the aggregate numbers of recipients, in particular in years subject to important changes in the labour market as those affected by the economic crisis due to COVID19.

4.2.1   Validation of taxes and social insurance contributions

The number of payers of taxes and social security contributions is compared with external benchmarks in Table A3.3. The number of people paying income taxes matches the external statistics looking at the most important aggregates (e.g. gross and net income tax) while it can be either over or under-represented for smaller aggregates (i.e. specific deductions or tax credits). Deductions and tax credit that cannot be simulated have been imputed using a calibration factor derived, by income bands, from external statistics. Some aggregates do not capture precisely the external statistics but given their size relative to the total tax revenue they do not affect the results substantially.

The following Table A3.4. shows simulated aggregate revenue from taxes and social security contributions. Income tax revenue (IRPEF) is simulated with a discrepancy of around 10%% over the different years. Property incomes from rents are all simulated as subject to the proportional tax (*cedolare secca)* rather than under IRPEF.

The regional additional income tax is overestimated by around 5%.

Due to lack of external data we are not able to validate the number of individuals paying social insurance contributions. The number of individuals paying self-employment social insurance contributions seems to be oversimulated because we cannot disentaglee the self employment income components not subjects to the contributions. The comparability of external data with survey information is not guaranteed due to the low level of disaggregation of available official estimates.

With these caveats, we observe an over-simulation of employee and an under simulation of employer SIC. One potential reason is that we apply the minimum contribution on an annual basis, but we lack important information to simulate the minimum correctly (a user can decide to simulate the minimum contribution on a monthly basis by simply switching on and off the relevant functions already implemented in EUROMOD). Moreover, the data do not contain precise information to simulate the social contributions according to the specific characteristics of the employees and their firms.

4.2.2 Validation of benefits

The numbers of recipients of benefits, whether simulated or taken directly from SILC data, are compared to external benchmarks in Table A3.5. The next Table A3.6. evaluates the aggregate expenditure on benefits in EUROMOD relative to the external data.

Simulated benefits in EUROMOD include: the Family Allowances, the Social Allowance for elderly, the "bonus IRPEF", the *Reddito di Inserimento* and *Reddito di Cittadinanza*, the *Universal Children Allowance* (since 2021) plus other minor benefits (mother bonus, new born bonus) which are not included in the validation tables due to difficultis in getting external data for validation.

Mainly, there are no information on the number of recipients in external statistics while figures provided by EUROMOD refer to households.

The simulated aggregates match quite well the external statistics from ISTAT. However, comparing the simulated amount of the Family Allowances and the Social Allowance for elderly with the ones recorded in the survey, it can emerge a mismatch of families receiving the benefits with a likely greater impact on poverty reduction of the simulated benefits. The "bonus IRPEF" results to be undersimulated by around 15% (see Table A3.4) which can be related to the misspecification of declared employment income in the bottom part of the income distribution. Social pension is over simulated by 10%, due to the age requirements of recipients which are increasing and not well captiired by the data.

Reddito di Inserimento and *Reddito di Cittadinanza* are simulated assuming 100% take-up. A full validation will be performed in the coming months using the recently released data from INPS. The decrease in 2023 is due to the assumption adopted in the simulation that it is paid only 7 months (while families with children under 18 years old, disabled and elderly can receive it up to 12 months).

The social benefits included and not simulated match quite well the external statistics (with the main exception of social assistance benefits which are determined at local level and not well captured by the input data) with signals of a likely misclassification of income sources among the different components which need to be born in mind in the interpretation of the figures provided below.

4.3 Income distribution

All income distribution results presented here are computed for individuals according to their household disposable income (HDI) equivalised by the "modified OECD" equivalence scale. HDI is calculated as the sum of all income sources of all household members net of income tax and social insurance contributions. The weights in the OECD equivalence are: first adult=1; additional people aged 14+ = 0.5; additional people aged under 14 = 0.3.

4.3.0   Income inequality

Measures of income distribution are present in Table A3.7. Decile shares of total disposable income in EUROMOD in are very similar to those produced by Eurostat. Only the share of income going to the first decile is higher in EUROMOD. The other inequality measures presented in the table, namely the Gini coefficient and the S80/S20 ratio confirm that the overall income distribution is simulated quite accurately. Finally, while the figures for the median household disposable income is very close with the external source of information, the mean is slightly lower in EUROMOD probably because of the absence of the top earners as well as underreporting of some other types of income. Esternal values related to 2021 show higher means and median incomes than the simulated ones raising a caveat on the ability to capture the real income changes du to the pandemic years either in the simulated values or in those reported to the survey.

4.3.1   Poverty rates

Poverty rates by gender and age derived using EUROMOD simulations and those published in Eurostat statistics are shown in Table A3.8. In general, the simulated figures match the external statistics quite well, with the gap usually not exceeding 5%. The largest gaps are observed with lower poverty lines.

4.4 Summary of "health warnings"

This final section summarises the main findings in terms of particular aspects of the Italian part of EUROMOD that should be borne in mind when planning appropriate uses of the model and in interpreting the results. In particular:

- The correction of self-employment income for tax evasion is made by a coefficient proportional to the net self-employment income declared in the data. The user can decide to switch off such a correction in the *TCA_it* policy sheet. Any difference in self-employment income with respect to previous years needs to take into account important differences at the data collection stage.

- The simulation of the property tax is based on an imputed value of cadastral income for main and other residences, derived using information on the possession of residences, the imputed rent, other information included in the Survey of Household Income and Wealth (Bank of Italy) aggregated by decile groups, and finally calibrating the total amount of cadastral income according to the information provided in the official sources.

- The simulation of Family Allowances is subject to limitations related to the lack of information on disability status, income and family composition in the income reference period (which is the solar year before the 1st of July of each year, and it remains valid until the 30th of June of the following year). Therefore, for example, for the period between the 1st of July 2019 and the 30th of June 2020, income produced in 2017 is taken into account. For the simulation of the benefit, we assume the family income to stay constant in two consecutive years and we use the income thresholds as of 1st July (instead of 30th June).

- The simulation of the minimum guaranteed income schemes (i.e. ReI - *Reddito di Inserimento*, 2018 and RdC - *Reddito di Cittadinanza*, 2019) assumes 100% take-up because at the time of the public release of EUOROMOD there are no external statistics on take up behaviour. Users should then consider that simulations likely overestimates number of beneficiaries and expenditures.

- The simulation of Parental Leave Benefits, although included in the public release, are NOT fully validated and switched OFF in the baseline simulations. Users should first validate the isntruments (at micro and macro level) and then decide whether to use include or not the simulations, bearing in mind that these alter the value of labour market incomes.

- The simulation of monetary compensation schemes (Cassa Integrazione Guadagni – bunct01_s), lumpsum bonus of 1000 euro for self-employed (bls01_s) and mortgage compensation for self-employed (bls03_s) is triggered by the simulation of labour market transitions defined in policy TransLMA_it. This policy becomes operational if the model is run in conjunction with the LMA add-on. The nature of these simulations is still experimental and only partially validated. Users are encouraged to refer to the "*Simulating labour market transitions in EUROMOD*" document prior to their use.

- Labour market transitions are switched OFF in EUROMOD baselines. As a consequence, the simulation of monetary compensation schemes does not produce any effect in baseline simulations. Since all policies not linked to labour market transitions are fully functional, it is possible for disposable income in 2020 to be higher than disposable income in previous years, without taking into account the effects of the COVID-19 crisis on the labour market.

- The validation considers the policies in place at June, 30th. The user can swith the "Full Year Adjustment" to simulate the policies for the number of months in which the policies exist over a given year.

Users are encouraged to check themselves the validity of the simulations and to let the National Team know about any bug they might find or improvement they want to suggest.

5. REFERENCES

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ANNEX 1: UPRATING FACTORS

Index	Reference	2020	2021	2022	2023	
Harmonised Index of Consumer Prices	$HICP	103.03	105.03	114.2	121.2	EUROSTAT; AMECO 2023 spring forecasts for 2023 values
Salary index, private sector	$f_yempri	103.5	104.47	105.3	106.4	ISTAT, Indice delle retribuzioni contrattuali per contratto, Totale dip al netto dei dirigenti, settore privato
Salary index, public sector	$f_yempub	105	105	105.67	109.6	ISTAT, Indice delle retribuzioni contrattuali per contratto, Totale dip al netto dei dirigenti, attiv della PP.AA.
Interest rate	$f_yiy	127.18	127.28	128.99	132.4	Average interest rate of state bonds
Property income index	$f_ypr	150.43	153.26	165.53	174.04	Istat, FOI
Cadastral income index	$f_aobiv	0.5101	0.5214	0.5505	0.5505	Department of Finances, cadastral value main residence
Self-employment income index	$f_yse	46.48	47.5	50.16	52.73	Department of Finances, Self employment income
FOI index	$f_foi	150.43	153.26	165.53	174.04	Istat, FOI
Total social assistance fund	$f_bsa	381883592	385925678	385925678	385925678	MEF, Relazione Generale, anni vari, Riparto Fondo Nazionale per le Politiche Sociali - Fondi Destinati alle regioni http://www.lavoro.gov.it/Lavoro/md/AreaSociale/FondoNazionale/Riparto/
Unemployment benefit threshold, EUR per month	$f_bun	1335.4	1335.4	1360.77	1470.99	INPS (Threshold values of Benefits)
Disability benefit threshold, EUR per month	$f_pdi	930.99	938.35	946.8	959.21	INPS, Tabella M1.4 Indennità di Accompagnamento
Disability pension contributory threshold, EUR per month	$f_phl	310.48	310.48	316.38	339.48	INPS, Tabella M1.4 Importo Mensile
Unit index	$f_1	1	1	1	1	

Old age pension_avg	$f_poa_avg	1224.03	1246.92	1316.55	1316.55	Average Old age pension
Survivors pension average	$f_psu_avg	642.49	649.69	685.97	685.97	Average Survivor pension
Disability pension average	$f_pdi_avg	434.09	463.88	489.78	489.78	Average Disability pension
Invalidity pension average	$f_phl_avg	715.55	720.24	760.46	760.46	Average Invalidity pension
Average hourly wage, Agriculture and Fishing (lindi = 1), units of national currency	$f_hourly_wage_lindi_1	9.11	9.64	10.10	10.50	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Mining, Manufact. and Utilities (lindi = 2), units of national currency	$f_hourly_wage_lindi_2	17.70	18.74	19.64	20.40	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Construction (lindi = 3), units of national currency	$f_hourly_wage_lindi_3	13.54	14.33	15.02	15.60	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Wholesale and retail (lindi = 4), units of national currency	$f_hourly_wage_lindi_4	14.90	15.78	16.53	17.17	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Hotels and restaurants (lindi = 5), units of national currency	$f_hourly_wage_lindi_5	12.94	13.70	14.36	14.92	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Transport and communication (lindi = 6), units of national currency	$f_hourly_wage_lindi_6	17.50	18.53	19.42	20.17	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Financial intermediation (lindi =	$f_hourly_wage_lindi_7	27.40	29.01	30.40	31.58	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.

7), units of national currency						
Average hourly wage, Real estate and business (lindi = 8), units of national currency	$f_hourly_wage_lindi_8	15.38	16.28	17.06	17.72	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Public administ. and defence (lindi = 9), units of national currency	$f_hourly_wage_lindi_9	23.76	25.16	26.36	27.38	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Education (lindi = 10), units of national currency	$f_hourly_wage_lindi_10	22.85	24.19	25.36	26.34	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Health and social work (lindi = 11), units of national currency	$f_hourly_wage_lindi_11	18.37	19.44	20.38	21.17	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.
Average hourly wage, Other (lindi = 12), units of national currency	$f_hourly_wage_lindi_12	9.05	9.59	10.05	10.43	Computed from ESTAT tables nama_10_a64 (wages) and nama_10_a64_e (hours worked) up to 2019.

ANNEX 2: POLICY EFFECTS

Table A1 and Figure A1 show the effect of 2023 policies on mean equivalised household disposable income by income component and income decile group. The effect is estimated as a difference between simulated household net income under the 2023 tax-benefit policies and net incomes simulated under 2022 policies, as a percentage of mean equivalised household disposable income in 2022.

In nominal terms, in comparison to 2022 policies, 2023 policies increased mean household income by 1.35%

The biggest loss of income was in the lower income decile groups due to the fact that, in 2023, RdC (*Reddito di Cittadinanza*) is paid for only 7 months rather than 12 months in the 2022 and this has a negative effect in the bottom part of the income distribution.

On the positive side, it is visible the effect of the reduction of social contributions for employees (positive effect on disposable income) and the increase in the public pensions which are at least partially indexed to the inflation.

Table A2 and Figure A2 show the changes on disposable income in the period 2022-23, expressed in real terms (i.e. deflating monetary parameters by projected Harmonized Index of Consumer Prices, HICP).

The effect of public pensions disappears as the increase observed in nominal terms is only due to the (partial) indexation of values to inflation. The effects of the abolition of the minimum income guarantee schems (RdC) and the reduction of social contributions for employees are still visible and relevant.

In real terms it is also visible a reduction in diposable income due to higher inome tax mainly due to a fiscal drag effect given that there no structural changes in the personal income taxes between 2022 and 2023.

Table A1: Policy effects in 2022-2023, nominal terms, %

Decile	Original income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disposable income
1	0.00	1.02	-5.65	0.51	0.85	0.00	0.00	-0.19	-3.46
2	0.00	2.00	-2.33	0.34	1.33	0.00	0.00	-0.92	0.41
3	0.00	2.28	-0.55	0.29	1.46	0.00	0.00	-1.18	2.30
4	0.00	2.37	-0.36	0.21	1.37	0.00	0.00	-1.19	2.40
5	0.00	2.24	-0.66	0.18	1.40	0.00	0.00	-1.26	1.90
6	0.00	1.94	-0.53	0.16	1.46	0.00	0.00	-1.15	1.88
7	0.00	1.90	-0.46	0.14	1.49	0.00	0.00	-1.20	1.87
8	0.00	1.69	-0.56	0.16	1.35	0.00	0.00	-1.14	1.51
9	0.00	1.62	-0.49	0.13	1.00	0.00	0.00	-0.98	1.28
10	0.00	1.30	-0.22	0.13	0.32	-0.03	0.00	-0.60	0.90
Total	**0.00**	**1.76**	**-0.68**	**0.18**	**1.08**	**-0.01**	**0.00**	**-0.98**	**1.35**

Notes: shown as a percentage change in mean equivalised household disposable income by income component and income decile group. Income decile groups are based on equivalised household disposable income in 2022, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2023 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

Figure A1: Policy effects in 2022-2023, nominal terms, %

Policy effects in Italy in 2022-2023
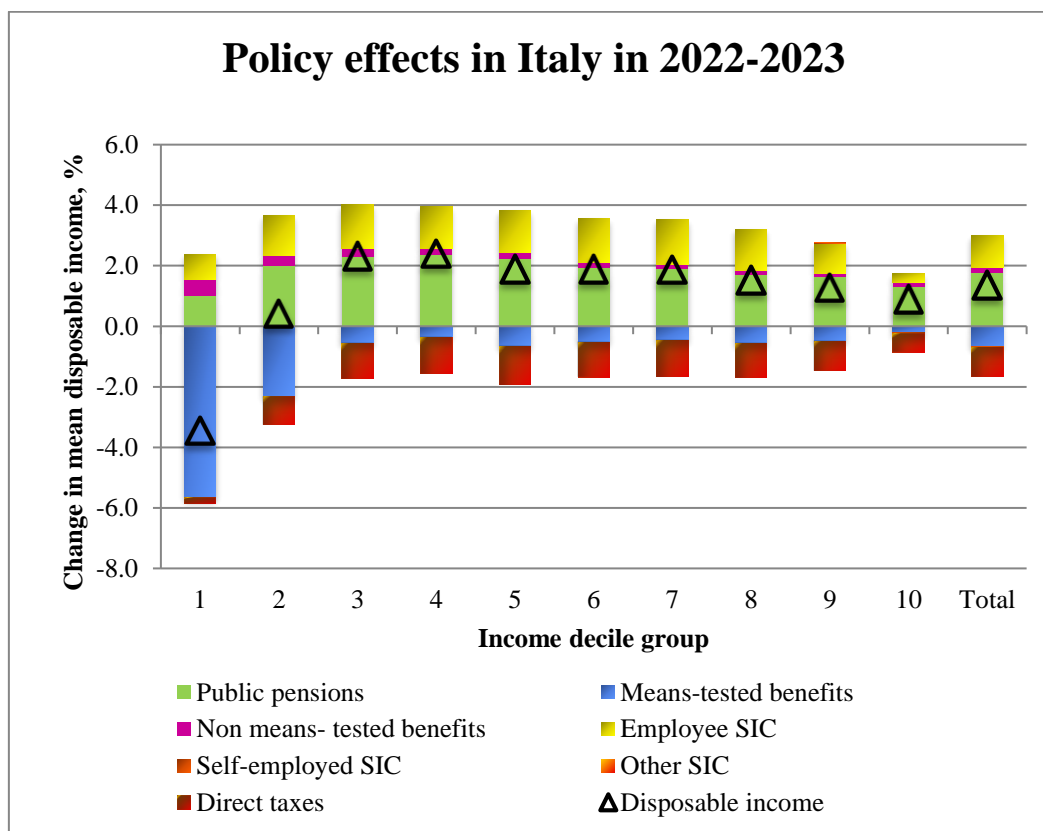
Table A2: Policy effects in 2022-2023, real terms, using the CPI-indexation, %

Decile	Original income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disposable income
1	0.00	0.03	-7.95	0.02	0.93	0.00	0.00	-0.27	-7.24
2	0.00	0.18	-3.64	0.02	1.38	0.00	0.00	-1.27	-3.33
3	0.00	0.22	-1.25	-0.01	1.42	0.00	0.00	-1.59	-1.20
4	0.00	0.15	-0.85	-0.02	1.27	0.00	0.00	-1.65	-1.10
5	0.00	0.11	-1.07	-0.02	1.34	0.00	0.00	-1.71	-1.34
6	0.00	0.02	-0.91	-0.05	1.32	0.00	0.00	-1.63	-1.25
7	0.00	0.02	-0.74	-0.07	1.39	0.00	0.00	-1.70	-1.10
8	0.00	-0.05	-0.77	-0.07	1.20	0.00	0.00	-1.68	-1.37
9	0.00	-0.16	-0.63	-0.15	0.88	0.00	0.00	-1.35	-1.41
10	0.00	-0.58	-0.27	-0.40	0.33	-0.01	0.00	-0.57	-1.50
Total	**0.00**	**-0.12**	**-1.05**	**-0.14**	**1.01**	**0.00**	**0.00**	**-1.30**	**-1.60**

Notes: shown as a percentage change in mean equivalised household disposable income by income component and income decile group. Income decile groups are based on equivalised household disposable income in 2022, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2023 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

Figure A2: Policy effects in 2022-2023, real terms, using the CPI-indexation, %
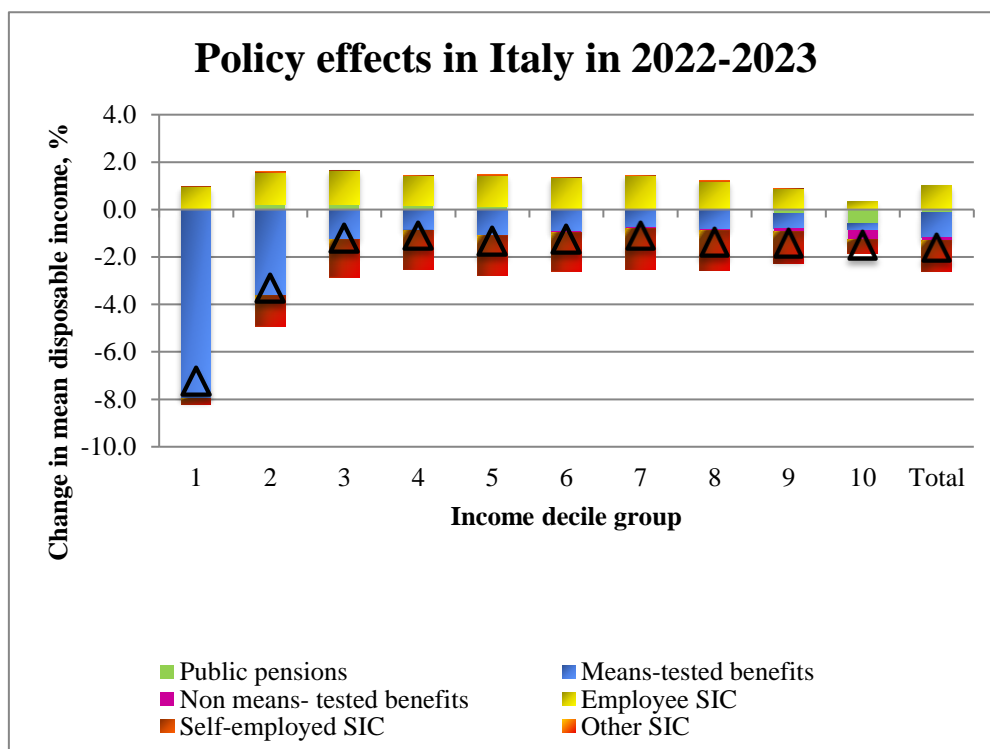
ANNEX 3. VALIDATION TABLES

Table A3.1. Original income in EUROMOD - Number of recipients (thousands)

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Earnings (ils_earns)													
employment income (yem)	N	19,337	19,337	19,794	19,794	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Income from Co.co.co (yemtj)	N	805	805	742	742	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Extraordinary payments (yemxp)	N	2,562	2,562	2,409	2,409	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Income from self-employment (yse)	N	6,427	6,427	6,880	6,880	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseib)	N	325	325	285	285	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employment income - Non taxable components (yemaj)	N	652	652	139	139	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employment income arrears (yempv)	N	1,763	1,763	3,800	3,800	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self employment income - patent rights (yseil)	N	153	153	119	119	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earns) (NOTE: some components are hidden!)													
Property income (ypr)	N	4,270	4,270	4,318	4,318	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)													
Employment (and assimilated) income (il_ext_yem)	N	22,767	22,767	22,045	22,045	22,173	22,631	NaN	NaN	1.03	1.01	NaN	NaN
Self-employment income (il_ext_yse)	N	5,085	5,085	7,212	7,212	5,734	5,835	NaN	NaN	0.89	0.87	NaN	NaN

Continued...

	Source	Comments
Earnings (ils_earns)		
employment income (yem)	-	-
Income from Co.co.co (yemtj)	-	-
Extraordinary payments (yemxp)	-	-
Income from self-employment (yse)	-	-
(yseib)	-	-

Continued...

	Source	Comments
Employment income - Non taxable components (yemaj)	-	-
Employment income arrears (yempv)	-	-
Self employment income - patent rights (yseil)	-	-
Other original income (ils_origy - ils_earns) (NOTE: some components are hidden!)		
Property income (ypr)	-	-
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)		
Employment (and assimilated) income (il_ext_yem)	-	-
Self-employment income (il_ext_yse)	-	-

Table A3.2. Original income in EUROMOD - Annual amounts (millions)

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Earnings (ils_earns)													
employment income (yem)	N	472,018	475,195	479,947	488,463	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Income from Co.co.co (yemtj)	N	21,645	21,833	19,158	19,388	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Extraordinary payments (yemxp)	N	3,765	3,794	3,618	3,667	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Income from self-employment (yse)	N	112,370	114,836	116,236	122,191	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseib)	N	5,497	5,618	5,620	5,908	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employment income - Non taxable components (yemaj)	N	827	835	178	180	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employment income arrears (yempv)	N	3,447	3,456	4,000	4,117	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self employment income - patent rights (yseil)	N	1,037	1,060	689	724	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earns) (NOTE: some components are hidden!)													
Property income (ypr)	N	32,780	33,396	37,331	39,250	32,996	33,750	NaN	NaN	0.99	0.99	NaN	NaN
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)													
Employment (and assimilated) income (il_ext_yem)	N	485,697	488,461	467,515	485,327	459,335	486,509	NaN	NaN	1.06	1.00	NaN	NaN
Self-employment income (il_ext_yse)	N	91,770	93,784	122,545	128,823	88,663	103,028	NaN	NaN	1.04	0.91	NaN	NaN

Table A3.3. Taxes and SIC - Number of payers (thousands)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Taxes (ils_tax) (NOTE: some components are hidden!)																					
Property tax (IMU other buildings) (tprob_s)	Y	9,790	9,790	7,321	7,321	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Bonus "80 euro" (tintceent_s)	Y	10,112	10,054	2,850	2,591	0	0	0	0	0.00	0.00	0.00	0.00	11,683	13,054	NaN	NaN	0.87	0.77	NaN	NaN
(tin00_s)	Y	1,732	1,732	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
National Income Tax (IRPEF) (tinna_s)	Y	29,179	29,220	29,924	30,567	0	0	0	0	0.00	0.00	0.00	0.00	30,327	31,366	NaN	NaN	0.96	0.93	NaN	NaN
Regional Income Tax (Addizionale regionale IRPEF) (tinrg_s)	Y	28,869	28,913	27,430	30,254	0	0	0	0	0.00	0.00	0.00	0.00	28,693	29,780	NaN	NaN	1.01	0.97	NaN	NaN
Employee Social Insurance Contributions (ils_sicee) (NOTE: some components are hidden!)																					
Self-employed Social Insurance Contributions (ils_sicse) (NOTE: some components are hidden!)		6,427	6,427	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	3,343	3,252	NaN	NaN	1.92	1.98	NaN	NaN
Employer Social Insurance Contributions (ils_sicer) (NOTE: some components are hidden!)																					
Credited Contributions (ils_sicct) (NOTE: some components are hidden!)																					
Other Contributions (ils_sicot) (NOTE: some components are hidden!)																					
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)																					
Deduction for transfers to the ex-spouse (tintamp_s)	Y	307	307	298	298	0	0	0	0	0.00	0.00	0.00	0.00	132	130	NaN	NaN	2.33	2.36	NaN	NaN
Deduction for Socia Insurance Contributions (SicSE) (ils_sicse)	N	6,427	6,427	6,880	6,880	6,427	6,427	6,427	6,427	1.00	1.00	1.07	1.07	3,343	3,252	NaN	NaN	1.92	1.98	NaN	NaN
Resiudal imputed deductions (tintaox_s)	Y	6,630	6,632	7,439	7,462	6,871	6,871	6,871	6,871	0.96	0.97	1.08	1.09	7,020	7,107	NaN	NaN	0.94	0.93	NaN	NaN
Total deductions (il_ext_totded)	N	14,380	14,380	15,268	15,291	14,380	14,380	14,380	14,380	1.00	1.00	1.06	1.06	7,020	7,107	NaN	NaN	2.05	2.02	NaN	NaN
Total net taxable (IRPEF) income (il_taxabley_nattax)	N	39,451	39,451	39,163	39,163	39,451	39,451	39,451	39,451	1.00	1.00	0.99	0.99	39,098	39,098	NaN	NaN	1.01	1.01	NaN	NaN
Gross tax (IRPEF) (tintsna_s)	Y	37,668	37,664	38,389	38,681	0	0	0	0	0.00	0.00	0.00	0.00	38,171	38,627	NaN	NaN	0.99	0.98	NaN	NaN
Family tax credits (il_ext_famtaxcredit)	N	12,888	12,874	8,222	8,197	12,888	12,888	12,888	12,888	1.00	1.00	0.64	0.64	12,042	11,803	NaN	NaN	1.07	1.09	NaN	NaN

	Simulated (Y / N)	EUROMOD 2020	2021	2022	2023	SILC 2020	2021	2022	2023	Ratio 2020	2021	2022	2023	External 2020	2021	2022	2023	Ratio 2020	2021	2022	2023
Tax credits for income sources (tintc_s)	Y	33,927	33,911	35,073	35,144	0	0	0	0	0.00	0.00	0.00	0.00	35,635	35,803	NaN	NaN	0.95	0.95	NaN	NaN
Tax credit for mortgage interests (tintcmi_s)	Y	3,160	3,160	2,745	2,745	0	0	0	0	0.00	0.00	0.00	0.00	4,042	4,180	NaN	NaN	0.78	0.76	NaN	NaN
Tax credit for health related expenditures (tintchl_s)	Y	18,404	18,405	20,208	20,227	18,709	18,709	18,709	18,709	0.98	0.98	1.08	1.08	18,380	20,036	NaN	NaN	1.00	0.92	NaN	NaN
Tax credit on life insurance (tintclf_s)	Y	4,728	4,728	5,417	5,428	4,811	4,811	4,811	4,811	0.98	0.98	1.13	1.13	4,813	4,892	NaN	NaN	0.98	0.97	NaN	NaN
Tax credit for educational expenditures (tintcst_s)	Y	4,372	4,372	4,197	4,193	5,431	5,431	5,431	5,431	0.81	0.81	0.77	0.77	3,327	3,488	NaN	NaN	1.31	1.25	NaN	NaN
Tax credit for refurbishment costs (tintc01_s)	Y	17,859	17,859	17,526	17,526	0	0	0	0	0.00	0.00	0.00	0.00	16,748	17,163	NaN	NaN	1.07	1.04	NaN	NaN
Resiudal imputed tax credits (tintcox_s)	Y	21,132	21,132	22,480	22,489	21,336	21,336	21,336	21,336	0.99	0.99	1.05	1.05	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Total tax credits (il_ext_tottaxcredit)	N	37,985	37,985	38,560	38,771	37,985	37,985	37,985	37,985	1.00	1.00	1.02	1.02	38,595	38,595	NaN	NaN	0.98	0.98	NaN	NaN
Taxable income subject to additional regional IRPEF (il_taxabley_regtax)	N	39,451	39,451	39,163	39,163	39,451	39,451	39,451	39,451	1.00	1.00	0.99	0.99	29,659	30,679	NaN	NaN	1.33	1.29	NaN	NaN
Tax on private pensions (tinktcp_s)	Y	49	49	13	13	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other buildings - cadastral income (aobiv)	N	9,790	9,790	7,321	7,321	9,790	9,790	9,790	9,790	1.00	1.00	0.75	0.75	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Proportional tax on rental incomes (il_ext_tinrt)	N	2,038	2,038	1,974	1,974	2,038	2,038	2,038	2,038	1.00	1.00	0.97	0.97	2,638	2,713	NaN	NaN	0.77	0.75	NaN	NaN
Total taxable (IRPEF) income (il_taxabley_pertc)	N	43,932	43,932	42,956	42,956	43,932	43,932	43,932	43,932	1.00	1.00	0.98	0.98	40,113	40,479	NaN	NaN	1.10	1.09	NaN	NaN
Main residence - cadastral income (amriv)	N	32,467	32,467	27,741	27,741	32,467	32,467	32,467	32,467	1.00	1.00	0.85	0.85	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Deduction for private pension contributions (tintapv_s)	Y	3,403	3,403	3,691	3,691	0	0	0	0	0.00	0.00	0.00	0.00	2,030	2,144	NaN	NaN	1.68	1.59	NaN	NaN

Continued...

	Source	Comments
Taxes (ils_tax) (NOTE: some components are hidden!)		
Property tax (IMU other buildings) (tprob_s)	-	-
Bonus "80 euro" (tintceent_s)	-	-
(tin00_s)	-	-
National Income Tax (IRPEF) (tinna_s)	-	-
Regional Income Tax (Addizionale regionale IRPEF) (tinrg_s)	-	-
Employee Social Insurance Contributions (ils_sicee) (NOTE: some components are hidden!)		

Continued...

Source	Comments
Self-employed Social Insurance Contributions (ils_sicse) (NOTE: some components are hidden!)	
Employer Social Insurance Contributions (ils_sicer) (NOTE: some components are hidden!)	
Credited Contributions (ils_sicct) (NOTE: some components are hidden!)	
Other Contributions (ils_sicot) (NOTE: some components are hidden!)	
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)	
Deduction for transfers to the ex-spouse (tintamp_s) -	-
Deduction for Socia Insurance Contributions (SicSE) (ils_sicse) -	-
Resiudal imputed deductions (tintaox_s) -	-
Total deductions (il_ext_totded) -	-
Total net taxable (IRPEF) income (il_taxabley_nattax) -	-
Gross tax (IRPEF) (tintsna_s) -	-
Family tax credits (il_ext_famtaxcredit) -	-
Tax credits for income sources (tintc_s) -	-
Tax credit for mortgage interests (tintcmi_s) -	-
Tax credit for health related expenditures (tintchl_s) -	-
Tax credit on life insurance (tintclf_s) -	-
Tax credit for educational expenditures (tintcst_s) -	-
Tax credit for refurbishment costs (tintc01_s) -	-
Resiudal imputed tax credits (tintcox_s) -	-
Total tax credits (il_ext_tottaxcredit) -	-
Taxable income subject to additional regional IRPEF (il_taxabley_regtax) -	-
Tax on private pensions (tinktcp_s) -	-

Continued...

	Source	Comments
Other buildings - cadastral income (aobiv)	-	-
Proportional tax on rental incomes (il_ext_tinrt)	-	-
Total taxable (IRPEF) income (il_taxabley_pertc)	-	-
Main residence - cadastral income (amriv)	-	-
Deduction for private pension contributions (tintapv_s)	-	-

Table A3.4. Taxes and SIC - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Taxes (ils_tax) (NOTE: some components are hidden!)																					
Property tax (IMU other buildings) (tprob_s)	Y	18,234	18,638	19,660	19,660	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	17,070	17,880	NaN	NaN	1.07	1.04	NaN	NaN
Bonus "80 euro" (tintceent_s)	Y	10,219	12,016	3,213	2,901	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	11,899	13,998	NaN	NaN	0.86	0.86	NaN	NaN
(tin00_s)	Y	3,414	3,489	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
National Income Tax (IRPEF) (tinna_s)	Y	175,846	175,657	158,414	170,985	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	159,281	170,993	NaN	NaN	1.10	1.03	NaN	NaN
Regional Income Tax (Addizionale regionale IRPEF) (tinrg_s)	Y	12,908	12,993	12,029	13,215	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	11,988	12,826	NaN	NaN	1.08	1.01	NaN	NaN
Employee Social Insurance Contributions (ils_sicee) (NOTE: some components are hidden!)		53,973	54,636	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	44,413	48,374	NaN	NaN	1.22	1.13	NaN	NaN
Self-employed Social Insurance Contributions (ils_sicse) (NOTE: some components are hidden!)		16,892	17,235	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	17,270	17,114	NaN	NaN	0.98	1.01	NaN	NaN
Employer Social Insurance Contributions (ils_sicer) (NOTE: some components are hidden!)		153,931	154,864	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	172,309	185,161	NaN	NaN	0.89	0.84	NaN	NaN
Credited Contributions (ils_sicct) (NOTE: some components are hidden!)																					
Other Contributions (ils_sicot) (NOTE: some components are hidden!)																					
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)																					
Deduction for transfers to the ex-spouse (tintamp_s)	Y	1,336	1,348	1,525	1,541	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	808	800	NaN	NaN	1.65	1.69	NaN	NaN
Deduction for Socia Insurance Contributions (SicSE) (ils_sicse)	N	16,892	17,235	17,881	18,820	16,892	16,892	16,892	16,892	1.00	1.02	1.06	1.11	17,270	17,114	NaN	NaN	0.98	1.01	NaN	NaN
Resiudal imputed deductions (tintaox_s)	Y	1,866	1,866	2,150	2,157	2,170	2,170	2,170	2,170	0.86	0.86	0.99	0.99	2,170	2,247	NaN	NaN	0.86	0.83	NaN	NaN
Total deductions (il_ext_totded)	N	26,344	26,737	27,952	28,991	26,344	26,344	26,344	26,344	1.00	1.01	1.06	1.10	24,874	25,154	NaN	NaN	1.06	1.06	NaN	NaN
Total net taxable (IRPEF) income (il_taxabley_nattax)	N	853,633	858,335	860,972	901,473	853,633	853,633	853,633	853,633	1.00	1.01	1.01	1.06	815,215	860,860	NaN	NaN	1.05	1.00	NaN	NaN
Gross tax (IRPEF) (tintsna_s)	Y	237,404	239,017	229,357	241,429	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	222,757	237,560	NaN	NaN	1.07	1.01	NaN	NaN
Family tax credits (il_ext_famtaxcredit)	N	11,651	11,622	5,815	5,770	11,651	11,651	11,651	11,651	1.00	1.00	0.50	0.50	11,918	11,419	NaN	NaN	0.98	1.02	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Tax credits for income sources (tintc_s)	Y	39,058	38,930	56,294	54,950	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	43,568	44,754	NaN	NaN	0.90	0.87	NaN	NaN
Tax credit for mortgage interests (tintcmi_s)	Y	911	926	994	1,032	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	805	820	NaN	NaN	1.13	1.13	NaN	NaN
Tax credit for health related expenditures (tintchl_s)	Y	3,454	3,462	3,755	3,822	16,765	16,765	16,765	16,765	0.21	0.21	0.22	0.23	3,185	4,051	NaN	NaN	1.08	0.85	NaN	NaN
Tax credit on life insurance (tintclf_s)	Y	269	269	304	310	1,331	1,331	1,331	1,331	0.20	0.20	0.23	0.23	253	259	NaN	NaN	1.06	1.04	NaN	NaN
Tax credit for educational expenditures (tintcst_s)	Y	649	651	618	622	2,617	2,617	2,617	2,617	0.25	0.25	0.24	0.24	497	569	NaN	NaN	1.31	1.14	NaN	NaN
Tax credit for refurbishment costs (tintc01_s)	Y	10,636	10,835	9,988	10,501	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	10,713	11,379	NaN	NaN	0.99	0.95	NaN	NaN
Resiudal imputed tax credits (tintcox_s)	Y	628	630	663	680	2,456	2,456	2,456	2,456	0.26	0.26	0.27	0.28	461	511	NaN	NaN	1.36	1.23	NaN	NaN
Total tax credits (il_ext_tottaxcredit)	N	67,255	67,326	78,430	77,686	67,255	67,255	67,255	67,255	1.00	1.00	1.17	1.16	71,557	73,932	NaN	NaN	0.94	0.91	NaN	NaN
Taxable income subject to additional regional IRPEF (il_taxabley_regtax)	N	853,633	858,335	860,972	901,473	853,633	853,633	853,633	853,633	1.00	1.01	1.01	1.06	761,274	809,624	NaN	NaN	1.12	1.06	NaN	NaN
Tax on private pensions (tinktcp_s)	Y	107	107	29	29	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other buildings - cadastral income (aobiv)	N	10,239	10,466	11,040	11,040	10,239	10,239	10,239	10,239	1.00	1.02	1.08	1.08	10,239	9,245	NaN	NaN	1.00	1.13	NaN	NaN
Proportional tax on rental incomes (il_ext_tinrt)	N	2,657	2,707	2,899	3,048	2,657	2,657	2,657	2,657	1.00	1.02	1.09	1.15	3,019	3,136	NaN	NaN	0.88	0.86	NaN	NaN
Total taxable (IRPEF) income (il_taxabley_pertc)	N	892,705	898,082	902,555	944,094	892,705	892,705	892,705	892,705	1.00	1.01	1.01	1.06	865,074	912,364	NaN	NaN	1.03	0.98	NaN	NaN
Main residence - cadastral income (amriv)	N	12,728	13,010	13,630	13,630	12,728	12,728	12,728	12,728	1.00	1.02	1.07	1.07	12,728	12,792	NaN	NaN	1.00	1.02	NaN	NaN
Deduction for private pension contributions (tintapv_s)	Y	6,250	6,287	6,395	6,472	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	4,625	4,992	NaN	NaN	1.35	1.26	NaN	NaN

Table A3.5. Benefits - Number of recipients (thousands)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Pensions (ils_pen) (NOTE: some components are hidden!)																					
Old Age Pension (poa)	N	10,658	10,658	10,267	10,267	10,658	10,658	10,658	10,658	1.00	1.00	0.96	0.96	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
"Invalidity pension (and other ben, taxable)" (phl)	N	1,498	1,498	1,739	1,739	1,498	1,498	1,498	1,498	1.00	1.00	1.16	1.16	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Disability pension (non taxable) (pdi)	N	2,365	2,365	2,525	2,525	2,365	2,365	2,365	2,365	1.00	1.00	1.07	1.07	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Survivor pension (psu)	N	3,916	3,916	4,135	4,135	3,916	3,916	3,916	3,916	1.00	1.00	1.06	1.06	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Means-tested benefits (ils_benmt) (NOTE: some components are hidden!)																					
REI (bsamm_s)	Y	1,289	1,262	1,734	1,639	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bunnc00)	N	449	449	NaN	NaN	449	449	NaN	NaN	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Social pension (Pensione / Assegno sociale) (poamt_s)	Y	1,235	1,235	1,229	1,291	698	698	698	698	1.77	1.77	1.76	1.85	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Children Allowance (Assegno Unico) (bfach00_s)	Y	NaN	0	7,940	7,950	NaN	0	0	0	NaN	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Energy related lump sum bonus (bls01_s)	Y	NaN	NaN	32,460	0	NaN	NaN	0	0	NaN	NaN	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Non-means-tested benefits (ils_bennt) (NOTE: some components are hidden!)																					
Severance pay (Liquidazioni da lavoro - TFR) (yunsv)	N	4,673	4,673	4,953	4,953	4,673	4,673	4,673	4,673	1.00	1.00	1.06	1.06	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bfa00)	N	1,269	1,269	NaN	NaN	1,269	1,269	NaN	NaN	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Unemployment benefit (Cassa Integrazione Guadagni) (bunct01)	N	6,198	6,198	562	562	6,198	6,198	6,198	6,198	1.00	1.00	0.09	0.09	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Unemployment benefit (Indennita' di Disoccupazione - Mobilita') (bunct02)	N	5,283	5,283	3,110	3,110	5,283	5,283	5,283	5,283	1.00	1.00	0.59	0.59	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Wage supplementation scheme (Cassa Integrazione Guadagni) (bunct01_s)	Y	0	0	0	0	6,198	6,198	6,198	6,198	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bunnc)	N	4,597	4,597	NaN	NaN	4,597	4,597	NaN	NaN	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)																					
Maternity benefits (il_ext_mat)	N	125	125	185	185	125	125	125	125	1.00	1.00	1.48	1.48	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Simulated Family Allowances (ANF) (il_ext_simANF)	N	5,968	5,947	2,125	2,229	5,968	5,968	5,968	5,968	1.00	1.00	0.36	0.37	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Imputed Family Allowances (ANF) (bfa)	N	5,757	5,757	5,814	5,814	5,757	5,757	5,757	5,757	1.00	1.00	1.01	1.01	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Simulated Social Pension (poamt_s)	Y	1,235	1,235	1,229	1,291	698	698	698	698	1.77	1.77	1.76	1.85	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Imputed Social Pension (poamt)	N	698	698	807	807	698	698	698	698	1.00	1.00	1.16	1.16	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Taxable pension income (il_ext_pen)	N	13,478	13,478	13,552	13,552	13,478	13,478	13,478	13,478	1.00	1.00	1.01	1.01	14,520	14,509	NaN	NaN	0.93	0.93	NaN	NaN

Continued...

	Source	Comments
Pensions (ils_pen) (NOTE: some components are hidden!)		
Old Age Pension (poa)	-	-
"Invalidity pension (and other ben, taxable)" (phl)	-	-
Disability pension (non taxable) (pdi)	-	-
Survivor pension (psu)	-	-
Means-tested benefits (ils_benmt) (NOTE: some components are hidden!)		
REI (bsamm_s)	-	-
(bunnc00)	-	-
Social pension (Pensione / Assegno sociale) (poamt_s)	-	-
Children Allowance (Assegno Unico) (bfach00_s)	-	-
Energy related lump sum bonus (bls01_s)	-	-
Non-means-tested benefits (ils_bennt) (NOTE: some components are hidden!)		
Severance pay (Liquidazioni da lavoro - TFR) (yunsv)	-	-
(bfa00)	-	-
Unemployment benefit (Cassa Integrazione Guadagni) (bunct01)	-	-
Unemployment benefit (Indennita' di Disoccupazione - Mobilita') (bunct02)	-	-
Wage supplementation scheme (Cassa Integrazione Guadagni) (bunct01_s)	-	-
(bunnc)	-	-

Continued...

	Source	Comments
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)		
Maternity benefits (il_ext_mat)	-	-
Simulated Family Allowances (ANF) (il_ext_simANF)	-	-
Imputed Family Allowances (ANF) (bfa)	-	-
Simulated Social Pension (poamt_s)	-	-
Imputed Social Pension (poamt)	-	-
Taxable pension income (il_ext_pen)	-	-

Table A3.6. Benefits - Annual amounts (million)

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Pensions (ils_pen) (NOTE: some components are hidden!)																					
Old Age Pension (poa)	N	216,548	216,548	210,087	222,057	216,548	216,548	216,548	216,548	1.00	1.00	0.97	1.03	231,221	235,159	NaN	NaN	0.94	0.92	NaN	NaN
"Invalidity pension (and other ben, taxable)" (phl)	N	17,850	17,850	21,136	22,680	17,850	17,850	17,850	17,850	1.00	1.00	1.18	1.27	7,726	8,772	NaN	NaN	2.31	2.03	NaN	NaN
Disability pension (non taxable) (pdi)	N	15,568	15,692	15,984	16,194	15,568	15,568	15,568	15,568	1.00	1.01	1.03	1.04	18,572	19,340	NaN	NaN	0.84	0.81	NaN	NaN
Survivor pension (psu)	N	41,879	41,879	44,467	47,511	41,879	41,879	41,879	41,879	1.00	1.00	1.06	1.13	44,261	45,362	NaN	NaN	0.95	0.92	NaN	NaN
Means-tested benefits (ils_benmt) (NOTE: some components are hidden!)																					
REI (bsamm_s)	Y	7,736	7,637	10,528	5,855	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	7,143	8,827	8,030	NaN	1.08	0.87	1.31	NaN
(bunnc00)	N	756	756	NaN	NaN	756	756	NaN	NaN	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Social pension (Pensione / Assegno sociale) (poamt_s)	Y	5,323	5,324	5,554	6,036	3,972	3,972	3,972	3,972	1.34	1.34	1.40	1.52	4,839	4,913	NaN	NaN	1.10	1.08	NaN	NaN
Children Allowance (Assegno Unico) (bfach00_s)	Y	NaN	0	15,048	20,642	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	13,199	NaN	NaN	NaN	1.14	NaN
Energy related lump sum bonus (bls01_s)	Y	NaN	NaN	8,819	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Non-means-tested benefits (ils_bennt) (NOTE: some components are hidden!)																					
Severance pay (Liquidazioni da lavoro - TFR) (yunsv)	N	31,293	31,587	29,889	30,201	31,293	31,293	31,293	31,293	1.00	1.01	0.96	0.97	27,033	29,313	NaN	NaN	1.16	1.08	NaN	NaN
(bfa00)	N	1,263	1,276	NaN	NaN	1,263	1,263	NaN	NaN	1.00	1.01	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Unemployment benefit (Cassa Integrazione Guadagni) (bunct01)	N	11,871	11,871	1,359	1,470	11,871	11,871	11,871	11,871	1.00	1.00	0.11	0.12	14,482	7,263	NaN	NaN	0.82	1.63	NaN	NaN
Unemployment benefit (Indennita' di Disoccupazione - Mobilita') (bunct02)	N	26,997	26,997	12,215	13,204	26,997	26,997	26,997	26,997	1.00	1.00	0.45	0.49	13,338	10,882	NaN	NaN	2.02	2.48	NaN	NaN
Wage supplementation scheme (Cassa Integrazione Guadagni) (bunct01_s)	Y	0	0	0	0	11,871	11,871	11,871	11,871	0.00	0.00	0.00	0.00	14,482	7,263	NaN	NaN	0.00	0.00	NaN	NaN
(bunnc)	N	7,306	7,306	NaN	NaN	7,306	7,306	NaN	NaN	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other external statistics (ils_extstat_other) (NOTE: some components are hidden!)																					
Maternity benefits (il_ext_mat)	N	221	225	354	373	221	221	221	221	1.00	1.02	1.61	1.69	6,035	4,824	NaN	NaN	0.04	0.05	NaN	NaN
Simulated Family Allowances (ANF) (il_ext_simANF)	N	6,048	7,505	722	752	6,048	6,048	6,048	6,048	1.00	1.24	0.12	0.12	5,678	8,143	NaN	NaN	1.07	0.92	NaN	NaN
Imputed Family Allowances (ANF) (bfa)	N	5,673	5,733	8,368	8,368	5,673	5,673	5,673	5,673	1.00	1.01	1.47	1.47	5,678	8,143	NaN	NaN	1.00	0.70	NaN	NaN
Simulated Social Pension (poamt_s)	Y	5,323	5,324	5,554	6,036	3,972	3,972	3,972	3,972	1.34	1.34	1.40	1.52	4,839	4,913	NaN	NaN	1.10	1.08	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Imputed Social Pension (poamt)	N	3,972	4,047	4,864	5,114	3,972	3,972	3,972	3,972	1.00	1.02	1.22	1.29	4,839	4,913	NaN	NaN	0.82	0.82	NaN	NaN
Taxable pension income (il_ext_pen)	N	276,277	276,277	275,690	292,248	276,277	276,277	276,277	276,277	1.00	1.00	1.00	1.06	270,875	275,516	NaN	NaN	1.02	1.00	NaN	NaN

Table A3.7. Distribution of equivalised disposable income

	EUROMOD				External				Ratio			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Decile 1	2.50	2.49	2.89	2.68	2.30	2.50	NaN	NaN	1.09	1.00	NaN	NaN
Decile 2	4.54	4.56	4.73	4.70	4.60	4.60	NaN	NaN	0.99	0.99	NaN	NaN
Decile 3	5.81	5.82	5.92	5.96	5.80	5.80	NaN	NaN	1.00	1.00	NaN	NaN
Decile 4	6.96	6.96	7.15	7.19	7.00	6.90	NaN	NaN	0.99	1.01	NaN	NaN
Decile 5	8.06	8.09	8.29	8.31	8.10	8.10	NaN	NaN	1.00	1.00	NaN	NaN
Decile 6	9.33	9.33	9.45	9.49	9.30	9.30	NaN	NaN	1.00	1.00	NaN	NaN
Decile 7	10.70	10.70	10.78	10.83	10.70	10.60	NaN	NaN	1.00	1.01	NaN	NaN
Decile 8	12.35	12.37	12.43	12.45	12.40	12.30	NaN	NaN	1.00	1.01	NaN	NaN
Decile 9	14.99	15.00	14.81	14.82	15.10	14.80	NaN	NaN	0.99	1.01	NaN	NaN
Decile 10	24.76	24.66	23.55	23.58	24.90	25.10	NaN	NaN	0.99	0.98	NaN	NaN
Median	17,523	17,740	18,054	18,594	17,532	18,592	NaN	NaN	1.00	0.95	NaN	NaN
Mean	20,285	20,499	20,614	21,141	20,278	21,317	NaN	NaN	1.00	0.96	NaN	NaN
Gini	32.58	32.50	30.77	31.01	32.90	32.70	NaN	NaN	0.99	0.99	NaN	NaN
S80/20	5.64	5.62	5.03	5.20	5.86	5.62	NaN	NaN	0.96	1.00	NaN	NaN

Table A3.8. At-risk-of-poverty rates (%) by gender and age

	EUROMOD				External				Ratio			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
40% median HDI by gender												
Total	8.01	8.05	6.60	7.89	8.70	7.90	NaN	NaN	0.92	1.02	NaN	NaN
Males	7.74	7.81	6.53	7.74	8.50	7.30	NaN	NaN	0.91	1.07	NaN	NaN
Females	8.26	8.29	6.66	8.03	8.80	8.50	NaN	NaN	0.94	0.97	NaN	NaN
50% median HDI by gender												
Total	13.38	13.42	12.33	12.78	13.20	13.00	NaN	NaN	1.01	1.03	NaN	NaN
Males	13.18	13.18	12.04	12.53	12.90	11.80	NaN	NaN	1.02	1.12	NaN	NaN
Females	13.56	13.65	12.61	13.03	13.40	14.20	NaN	NaN	1.01	0.96	NaN	NaN
60% median HDI by gender												
Total	20.26	20.09	20.14	20.18	20.10	20.10	NaN	NaN	1.01	1.00	NaN	NaN
Males	19.76	19.62	19.43	19.49	19.40	18.50	NaN	NaN	1.02	1.06	NaN	NaN
Females	20.74	20.54	20.80	20.83	20.70	21.70	NaN	NaN	1.00	0.95	NaN	NaN
70% median HDI by gender												
Total	27.27	26.99	27.12	26.86	26.80	27.50	NaN	NaN	1.02	0.98	NaN	NaN
Males	26.38	26.11	26.05	25.87	25.70	25.60	NaN	NaN	1.03	1.02	NaN	NaN
Females	28.12	27.83	28.12	27.80	28.00	29.30	NaN	NaN	1.00	0.95	NaN	NaN
60% median HDI by age group												
0-15 years	24.90	23.98	24.59	23.75	25.60	25.60	NaN	NaN	0.97	0.94	NaN	NaN
16-24 years	26.27	25.89	26.36	26.73	25.90	23.50	NaN	NaN	1.01	1.10	NaN	NaN
25-49 years	20.64	20.31	19.53	19.77	20.90	20.50	NaN	NaN	0.99	0.99	NaN	NaN
50-64 years	18.39	18.51	18.66	19.24	17.80	17.80	NaN	NaN	1.03	1.04	NaN	NaN
65+ years	16.57	16.84	17.25	16.92	15.60	17.80	NaN	NaN	1.06	0.95	NaN	NaN