

Pensioners' living conditions

Years 2016-2017

Istat publishes this Focus on Pensioners' Living Conditions to disseminate information about pension beneficiaries, integrating three different statistical sources: the administrative archive 'Pensioners Central Register'; the Statistics on Income and Living Conditions (Eu-Silc) and the Labour Force Survey.

In 2017 pensioners were 16 million (around -23 thousand compared with 2016; Figure 1), receiving an annual average income of 17,886 euros (+306 euros over the previous year).

Women represented 52.5% of pensioners and received an average pension income 6 thousand lower than men's pension. Gender gap in pensions' annual average amount remained extremely marked, but it was decreasing (for old age pension men's advantage decreased from 72.6% in 2005 to 60.0% in 2017).

As regards geographical areas, in the North-East pensions' annual average amount exceeded by 19.0% the amount registered in the South and in the Island (8.8% in 1983).

Over two thirds (67.4%) of survivor pension beneficiaries received more than one pension and they were mainly women (86.5%). Old age pensioners less frequently received more than one pension (28.2%).

In 2017 working pensioners numbered 411 thousand (-20.3% from 2011) and three quarters were men. More in detail, 85.0% of employed pensioners were self-employed, 67.2% lived in the northern regions and 52.8% obtained at most a lower secondary school certificate.

In 2016, the average pensions (net of tax) of Italian resident beneficiaries (aged 16+) was estimated to around Euros 14,567 (+1.8% from 2015).

The tax burden on pension income (i.e. the ratio of levy tax at source to the total gross pension) was stable and equal to 18.9%. The direct tax incidence was higher for pensions of retired workers (21.8%), and lower for survivors' and disability pension beneficiaries (17.1% and 13.2% respectively).

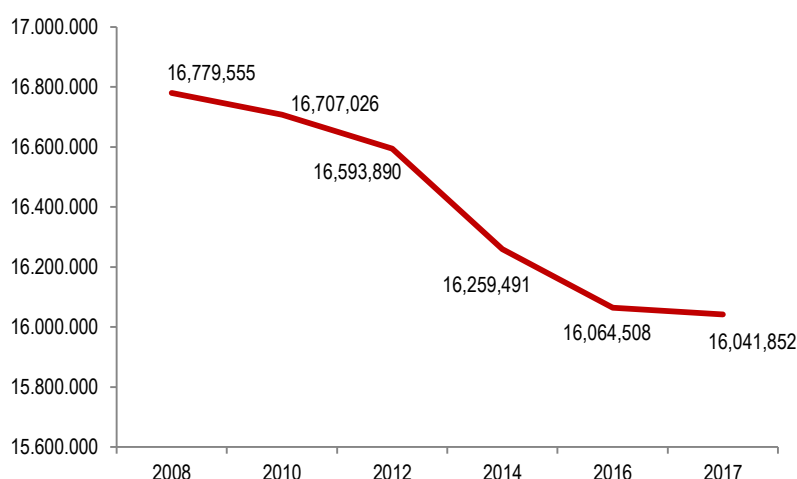
In the same year, it was estimated that there was at least one pensioner in more than 12 million households. More than a third of pensioners lived in childless couples, 27.0% were singles living alone, 19.0% belonged to households with children, 9.6% were in other types of family.

For less than two-thirds of these families (61.2%) pension transfers represented over 75% of disposable household income (for 22.7% pension was their only source of income).

The average disposable income of pensioners' households amounted to 30,140 euros (table 6), about 850 euros less compared with the income level of households where no one got a pension (30,998 euros). Half of the households with pensioners did not exceed the threshold of 24,380 euros income, in the South and in the Islands geographical areas, the median household income was equal to 21,074 euros, about 5,000 euros less than in the other geographical areas.

In 2016, the poverty risk rate for the households with at least one pensioner was lower in comparison with the other households (16.4% and 24.0% respectively). Pension benefits seemed to have a significant impact on the reduction of poverty exposition.

FIGURE 1. PENSIONERS. Years 2008-2017, absolute values



Source: Administrative Register Central Record of Pensions.

Pensioners were still decreasing

In 2017 pensioners were 16 million, around 23 thousand less than in 2016. They received an average annual pension income of 17,886 euros, 306 more than in 2016 (Table 1).

TABLE 1. PENSIONERS AND ANNUAL, OVERALL AND AVERAGE, AMOUNT OF PENSION INCOME, BY SEX Years 2016-2017

Sex	2016					2017				
	Pensioners		Amount			Pensioners		Amount		
	Number	%	Overall (min of euro)	%	Average (euro)	Number	%	Overall (min of euro)	%	Average (euro)
Male	7,601,326	47.3	157,328	55.7	20,697	7,622,070	47.5	159,982	55.8	20,989
Female	8,463,182	52.7	125,087	44.3	14,780	8,419,782	52.5	126,956	44.2	15,078
Total	16,064,508	100.0	282,415	100.0	17,580	16,041,852	100.0	286,938	100.0	17,886

Source: Administrative Register Central Record of Pensions.

TABLE 2. NUMBER, AVERAGE ANNUAL INCOME AND AVERAGE AGE OF NEW, CEASED AND SURVIVING PENSIONERS, BY TYPE OF PENSION. Years 2016-2017

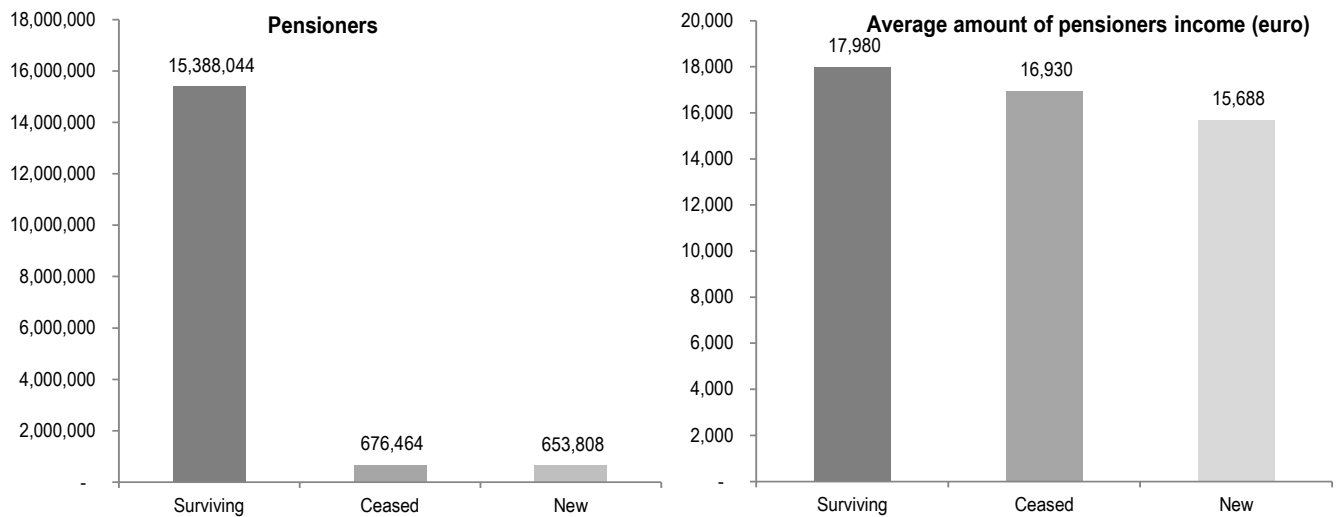
TYPE OF PENSION	Year 2016			Year 2017											
	Number	Average amount (euro)	Average age	Surviving			New			Ceased			Total		
				Number	Average amount (euro)	Average age	Number	Average amount (euro)	Average age	Number	Average Amount (euro)	Average age	Number	Average amount (euro)	Average age
Old age	11,048,107	20,583	74.1	10,677,738	20,896	74.8	361,399	24,474	63.4	370,369	21,154	82.1	11,039,137	21,013	74.4
Disability	1,243,899	16,871	71.9	1,138,935	17,358	72.3	60,609	13,552	54.9	104,964	17,639	78.5	1,199,544	17,166	71.4
Survivor	4,414,163	17,639	75.7	4,151,428	17,930	76.3	251,630	18,329	70.2	262,735	18,690	81.7	4,403,058	17,953	76.0
Injury	739,115	18,034	68.5	709,355	18,285	69.0	13,838	13,188	56.1	29,760	23,100	80.7	723,193	18,187	68.7
Civil disability	2,742,742	14,914	64.6	2,352,830	14,832	64.0	455,051	16,342	67.8	389,912	17,121	74.0	2,807,881	15,077	64.7
Social	872,749	9,586	73.7	803,661	9,898	74.6	84,334	7,653	66.3	69,088	11,484	75.8	887,995	9,685	73.8
War	183,100	23,515	80.1	166,712	23,975	80.2	2,959	22,740	74.6	16,388	24,204	89.5	169,671	23,954	80.1

Source: Administrative Register Central Record of Pensions.

New pensioners (people who started to receive at least one pension in 2017) were fewer than those who ceased, i.e, those that in the same year stopped receiving pensions (654 thousand vs 676 thousand) (Table 2).

New pensioners' annual average income was lower if compared both to that received by ceased pensioners (euros 15,688 vs euros 16,930) and by those who were receiving pensions both in 2017 and 2016 (euros 17,980), since they might cumulate/add several pensions (often survivor pension) to the first pension received (Figure 2).

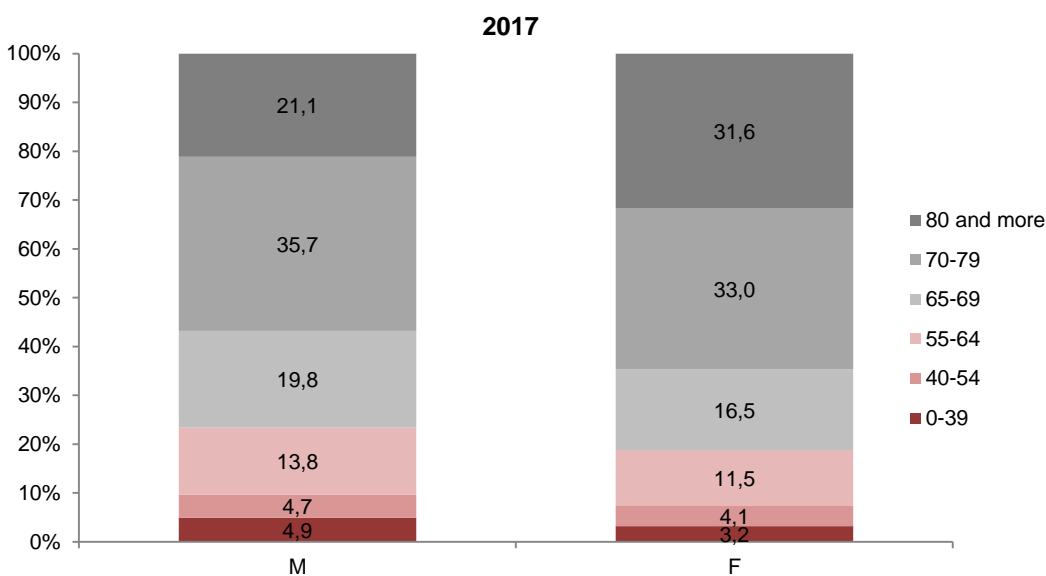
FIGURE 2. SURVIVING, NEW AND CEASED PENSIONERS. Year 2017



Source: Administrative Register Central Record of Pensions.

Pensioners' decreasing, cross-cutting in all pension types with the exception of social pensions and civil disability, was more relevant among war pensions (-7.3%), disability pensions (-3.6%) and injury pensions (-2.2%).

FIGURE 3. PENSIONERS BY SEX AND AGE CLASS. Year 2017, percentage compositions



Source: Administrative Register Central Record of Pensions.

In absolute values the largest reductions were observed among disability pensioners (almost 44 thousand less), injury pensioners (almost 16 thousand less) and war pensioners (13 thousand less). Increases were recorded in social pension beneficiaries (slightly more than 15 thousand) and civil disability (more than 65 thousand).

Over three-quarters of pensioners (79%) were at least 65 years old and women were increasing among the oldest pensioners: 31.6% were at least 80 years old (21.1% among men) and women pensioners with

at least 90 years old represented 6.9% of women pensioners (2.8% among men) (Figure 3).

Strong decrease of working pensioners

Data of Labour force survey allow to identify retired people who received an employment pension and were working at the same time. This aggregate was not very consistent and decreased between 2011 and 2017 (-20.3%; from 515 thousand to 411 thousand).

In 2017, three out of four were men and about 85% of the workforce was self-employed. With regard to other characteristics, 67.2% lived in the northern regions of Italy and about 75% were at least 65 years old (this percentage was 53.7% in 2011).

In 2017, 64.4% of retired people receiving a retirement pension was occupied in the services sector, about a third in the trade sector (incidence equal to one and a half in comparison with the total workforce) and more than 15% in agriculture (an incidence almost four times higher than among the total workforce) (Table 3). Moreover, in 2017 approximately 40% of employed with pension held a qualified job.

TABLE 3. EMPLOYED WITH WORK PENSION BY SECTOR OF ECONOMIC ACTIVITY AND OCCUPATION.

Years 2011 and 2017, thousand and percentage changes, 2017, percentage compositions

CHARACTERISTICS	2011	2017	Percentage changes	2017	
				Employed with pension	Total employed
ECONOMIC ACTIVITY					
Agriculture	69	63	-9.1	15.3	3.8
Industry excluding building/construction	83	60	-27.1	14.7	19.9
Building/construction	40	23	-42.3	5.6	6.1
Services, of which:	324	265	-18.3	64.4	70.2
<i>Trade</i>	116	87	-25.4	21.1	14.3
<i>Professional, support service activities</i>	68	66	-2.2	16.2	11.2
<i>Education and health</i>	38	28	-26.4	6.8	15.1
<i>Other collective and personal services</i>	41	37	-9.5	9.0	7.9
OCCUPATION					
High skilled	203	166	-18.4	40.4	34.8
Employees trade and services	115	98	-14.2	23.9	30.6
Workers	174	131	-24.8	31.8	22.6
Low skilled	24	16	-32.8	3.9	12.0
Total	515	411	-20.3	100.0	100.0

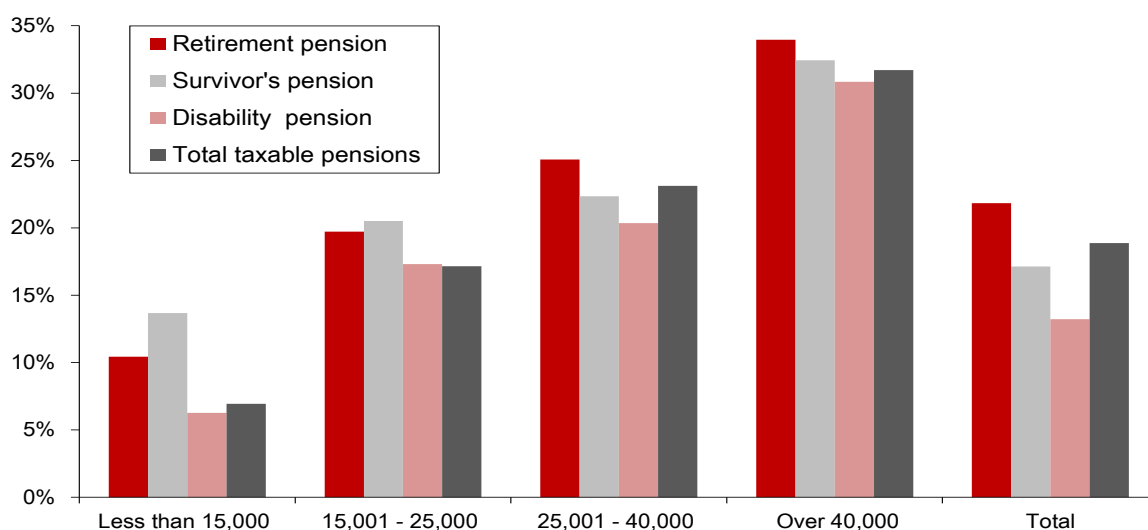
Source: Labour force survey.

In the education and health sectors, by contrast, the incidence was about half of the total of employed people. 85.1% of pension holders were self-employed, of these 57.8% were self-employed, 23.8% were freelance professionals, and 6.9% were entrepreneurs. Among the employees, however, more than half were factory workers.

Tax incidence on the total gross pension income was 18.9%

In 2016, the average pensions (net of tax) of Italian resident beneficiaries (aged 16+) was estimated at around 14,3 thousand euros. The tax burden on the total gross pension, stable over the past year, reached 18.9%. The direct tax incidence was higher for pension of retired workers (21.8%) and lower for survivors' and disability pensions beneficiaries (17.1% and 13.2% respectively) (Figure 4). Due to the progressivity of the Italian tax system, for all types of taxable pensions the average rate of tax increased in proportion more than the rise of income. In particular, in the highest bracket (40,000 euros), the average tax rate applied to retirement pensions was equal to 34.0%, 23 percentage points higher as compared with the lowest one (less than 15,000).

FIGURE 4. AVERAGE TAX RATE BY DIFFERENT GROSS TAXABLE PENSIONS AND BRACKETS. Year 2016 percentage values and in euros



Source: Eu-Silc survey.

In the same year, the estimate was that over 12 million households had at least one pensioner. More than one third of pensioners lived in childless couples, 27.0% were single person living alone, 19% belonged to households with children, 9.6% were in other types of family (Table 4).

TABLE 4. HOUSEHOLD COMPOSITION OF PENSIONERS BY GEOGRAPHICAL AREAS.

Year 2016, percentage values

Household type	North	Centre	South and Islands	Italy
Single person	28.6	26.0	25.4	27.0
Couples without children	39.6	36.7	29.1	35.5
Couples with one or more children	15.7	17.1	25.0	19.0
Single-parent households	8.2	9.0	9.6	8.8
Other types	8.0	11.3	10.9	9.6
- Two or more family households	1.2	2.3	2.6	1.9
- Multi-person households	2.9	2.9	3.7	3.1
- Couples/Single parent with members other than children	3.9	6.1	4.7	4.6
Total	100.0	100.0	100.0	100.0

Source: Eu-Silc survey.

For less than two-thirds of these families (61.4%) pension transfers represented over 75% of disposable household income (for 22.7% pension was their only source of income) (Table 5).

TABLE 5. SHARE OF PENSION INCOME BY HOUSEHOLD CHARACTERISTICS AND GEOGRAPHICAL AREAS.
Year 2016, percentage values

	less than 25%	25-50%	50-75%	more than 75%	(100%)
HOUSEHOLD TYPE					
Single person	3.9	3.9	5.6	86.7	40.4
Couples without children	5.1	8.0	10.2	76.7	22.8
Couples with one or more children	29.6	27.9	23.4	19.2	2.9
Single-parent households	17.7	35.8	19.4	27.1	6.4
Other types	17.4	29.9	21.9	30.7	9.5
- Two or more family households	27.6	37.2	23.0	12.1	4.4
- Multi-person households	7.5	20.3	20.6	51.7	18.9
- Couples/Single-parent with members other than children	20.6	34.2	22.5	22.6	4.4
HOUSEHOLD INCOME STRUCTURE					
Only pensioners:	2.9	4.3	7.0	85.8	34.9
- with pension and labor income	0.3	0.9	3.5	95.3	40.5
- only pension recipients	19.5	25.1	28.7	26.8	0.7
With pensioners and other adult members:	21.5	27.3	20.0	31.2	7.7
- only pension recipients and other adult members without labor income	1.1	2.6	5.1	91.1	26.5
- only pension recipients and other members with at least one labor incomes	17.3	42.1	31.9	8.7	0.4
- pensioners with other labor income and other adult members without labor income	30.8	22.9	28.0	18.3	0.5
- pensioners and other adult members with at least one labor income respectively	55.8	30.5	12.2	1.5	-
NUMBER OF INCOME RECIPIENTS					
One	3.8	4.1	5.8	86.3	41.7
Two	9.2	19.5	16.6	54.7	17.2
Three or more	27.3	35.9	24.0	12.8	1.9
GEOGRAPHICAL AREAS					
North	9.2	15.2	12.4	63.2	24.3
Centre	9.9	16.7	13.5	59.8	26.6
South and Islands	9.1	12.8	12.5	65.6	29.2
Italy	11.3	14.7	12.8	61.2	22.7

Source: Eu-Silc survey.

The average disposable income of pensioner' households amounted to 30,140 euros (Table 6), about 850 euros less compared with the income level of households where no one got a pension (30,998 euros). In half of the households with pensioners, income did not exceed the threshold of 24,380 euros. In the South and in the Islands geographical areas the median household income was equal to 21,074 euros, about 5,000 euros less than in the other geographical areas.

In 2016, the poverty risk rate for the households with at least one pensioner was lower compared with the other households (16.4% and 24.0% respectively). Pension benefits seemed to have a significant impact on the reduction of poverty exposition. The risk was relatively higher among pensioners living alone (22.3%) or living in other types of family (16.6%), and even more pronounced in households in which all members were workless (35.5%).

TABLE 6. HOUSEHOLD NET INCOME (MEAN AND MEDIAN), POVERTY RISK AND SEVERE MATERIAL DEPRIVATION BY HOUSEHOLDS CHARACTERISTICS. Year 2016, percentage values and in euros

	HOUSEHOLD WITH PENSIONERS				HOUSEHOLD WITHOUT PENSIONERS			
	Mean	Median	At risk of poverty	Severe material deprivation	Mean	Median	At risk of poverty	Severe material deprivation
HOUSEHOLD TYPE								
Single person	17,901	15,485	22.3	11.3	18,622	17,520	28.5	14.5
Couples without children	31,425	26,108	11.6	8.5	35,493	32,773	14.6	6.1
Couples with one or more children	45,964	40,422	12.7	9.8	39,231	34,931	20.8	8.3
Single-parent households	32,620	30,592	16.1	9.8	24,312	21,771	33.4	13.2
Other types	39,754	35,929	16.6	12.1	32,244	30,622	32.8	20.3
HOUSEHOLD INCOME STRUCTURE								
Only pensioners:	23,697	19,498	16.4	9.9	.	.	.	.
- with pension and labor income	21,203	18,333	18.4	10.5	.	.	.	.
- only pension recipients	39,103	30,678	3.8	6.4	.	.	.	.
With pensioners and other adult members:	38,024	32,881	16.3	10.4	.	.	.	.
- only pension recipients and other adult members without labor income	21,448	18,829	35.5	14.3	.	.	.	.
- only pension recipients and other members with at least one labor incomes	41,552	38,295	9.8	9.2	.	.	.	.
- pensioners with other labor income and other adult members without labor income	36,074	29,567	15.6	13.5	.	.	.	.
- pensioners and other adult members with at least one labor income respectively	53,840	46,134	4.3	6.9	.	.	.	.
NUMBER OF INCOME RECIPIENTS								
One	18,523	16,049	25.2	12.2	19,035	18,140	36.2	14.8
Two	34,801	30,377	9.9	8.4	40,294	36,852	12.7	6.8
Three or more	51,700	46,293	7.7	8.8	51,697	47,334	10.0	6.7
GEOGRAPHICAL AREAS								
North	31,964	25,985	10.6	6.8	35,464	30,027	15.3	7.1
Centre	32,658	26,374	13.9	6.5	31,459	26,100	21.4	8.9
South and Islands	26,029	21,074	26.1	17.1	23,608	21,204	39.6	17.9
Italy	30,140	24,380	16.4	10.1	30,998	25,830	24.0	10.8

Source: Eu-Silc survey.

For more details please refer to the Italian version

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