

## Pensioners' living conditions

Years 2014-2015

Istat publishes this Focus on Pensioners' Living Conditions to disseminate a richer 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 2015 pensioners were 16.2 million, around 80 thousand fewer if compared to 2014; each of them received an annual average income of 17,323 euros (283 euros more than the previous year). Women represented 52.8% of pensioners and received an average pension income 6 thousand lower of that received by man.

New pensioners' (people who started receiving at least one pension in 2015) annual average income was lower if compared to that received by ceased pensioners (15,197 vs 16,015) and by those who were already receiving pensions in 2014 (17,411 euros).

Over two thirds (67.4%) of survivor pension beneficiaries received more than one pension; they were mainly women (86.9%). Old age pensioners less frequently received more than one pension (27.6%).

In 2015 pensioners who continued to work numbered 442 thousand, down from 2011 (-14.3%). Over three quarters of pensioners were men. 86.4% of employed pensioners were self-employed; 54.7% held at most a lower secondary school certificate, compared to 72.6% of total pensioners.

In 2014, the average pensions (net of tax) of Italian resident beneficiaries (aged 16+) was estimated at around 13,8 thousand.

The tax incidence on the total gross pension (before tax) was equal to 18.6%, slightly higher than the previous year (+1%). The direct tax incidence was higher for pensions of retired workers (21.4%), and lower for survivors' and disability pensions beneficiaries, 14.8% and 12.3% respectively.

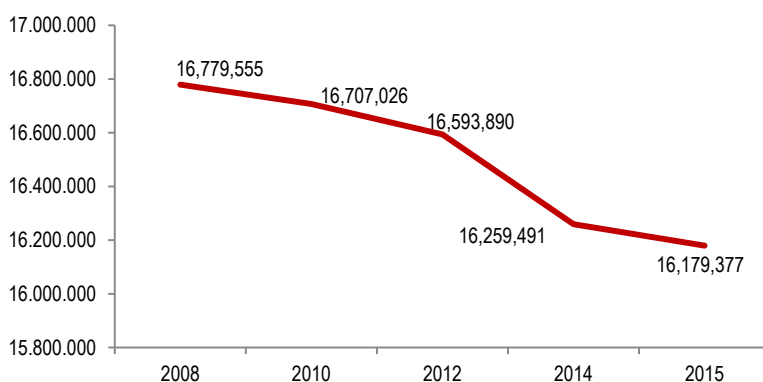
In the same year, it is estimated that there was at least one pensioner in 12,4 million households. More than a third of pensioners lived in childless couples, 28.6% were one person living alone, 17.4% belonged to households with children, 10.5% were in other types of family.

For almost two-thirds of these families (62.3%) pension transfers represented over 75% of disposable household income (for 26.5% pension was their only source of income).

The average disposable income of pensioners' households amounted to 28,410 euros (Table 6), about 2,000 euros less compared with the income level of households where no one got a pension (30,460 euros). Half of the households with pensioners did not exceed the threshold of 22,270 euros income, in the South and the Islands area the median household income was equal to 19,290 euros, about 5,000 euros less than other geographical areas.

In 2014, the poverty risk rate for the households with at least one pensioner was lower compared with the other households (16.5 % vs 22.5 %). Pension benefits seemed to have a significant impact on the reduction of poverty exposition.

**PENSIONERS.** Years 2008-2015, absolute values



## Pensioners were still decreasing

In 2015 pensioners were 16.2 million, around 80 thousand fewer if compared to 2014. They received an average annual pension income of 17,323 euros, 283 more than in 2014 (Table 1).

TABLE 1. PENSIONERS AND ANNUAL, OVERALL AND AVERAGE, AMOUNT OF PENSION INCOME, BY SEX. Years 2014-2015

Sex	2014					2015				
	Pensioners		Amount			Pensioners		Average		
	Number	%	Overall (mln of euro)	%	Average (euro)	Number	%	Overall (mln of euro)	%	Average (euro)
Male	7,661,093	47.1	154,259	55.7	20,135	7,639,405	47.2	156,081	55.7	20,431
Female	8,598,398	52.9	122,808	44.3	14,283	8,539,972	52.8	124,201	44.3	14,543
<b>Total</b>	<b>16,259,491</b>	<b>100.0</b>	<b>277,067</b>	<b>100.0</b>	<b>17,040</b>	<b>16,179,377</b>	<b>100.0</b>	<b>280,282</b>	<b>100.0</b>	<b>17,323</b>

Source: Administrative Register Central Record of Pensions

In the last two years, as in the previous biennium, new pensioners (people who started receiving at least one pension in 2015) were less numerous than those who ceased, i.e. those that in the same year stopped receiving pensions (641 thousand vs 721 thousand) (Table 2).

TABLE 2. NUMBER, AVERAGE ANNUAL INCOME AND AVERAGE AGE OF NEW, CEASED AND SURVIVING PENSIONERS, BY TYPE OF PENSION. Years 2014-2015

TYPE OF PENSION	Year 2014			Year 2015											
	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	11,183,189	19,771	73.3	10,789,672	20,077	74.0	351,990	23,660	62.6	393,517	19,377	81.7	11,141,662	20,191	73.6
Disability	1,376,665	16,430	72.9	1,240,579	16,834	73.3	60,451	13,631	54.4	136,086	16,586	78.7	1,301,030	16,686	72.4
Survivor	4,476,225	17,117	75.3	4,191,783	17,380	75.8	251,040	17,503	69.6	284,442	17,663	82.4	4,442,823	17,387	75.5
Injury	776,678	17,815	68.0	742,552	18,045	68.5	15,907	13,140	57.8	34,126	22,275	79.8	758,459	17,942	68.3
Civil disability	2,648,562	14,823	65.1	2,254,646	14,708	64.3	436,208	15,767	67.0	393,916	16,843	75.4	2,690,854	14,880	64.7
Social	856,407	9,543	73.6	783,098	9,738	74.4	84,805	7,844	66.3	73,309	11,419	75.9	867,903	9,553	73.6
War	224,972	22,178	79.2	195,162	22,884	80.3	1,043	23,786	68.1	29,810	21,044	78.6	196,205	22,888	80.3

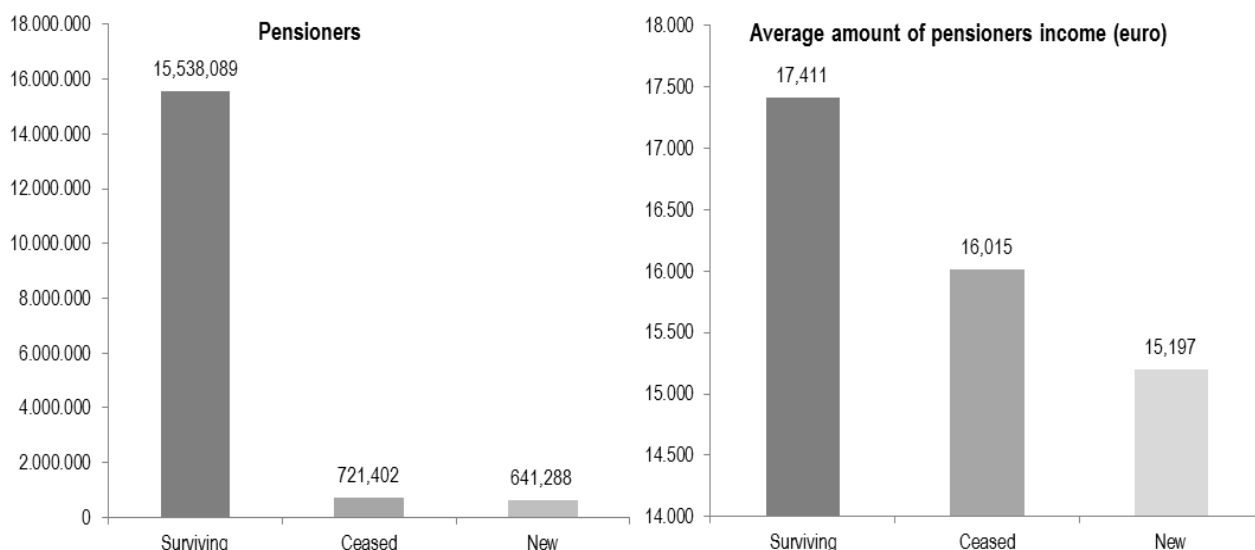
Source: Administrative Register Central Record of Pensions

New pensioners' annual average income was lower if compared to that received by ceased pensioners (15,197 vs 16,015) and by those who were receiving pensions in both 2015 and 2014 (17,411 euro), that during their retirement may cumulate/add several pensions (often survivor pension) to that with whom they became pensioners (Figure 1).

Pensioners decrease was observed for all pension types, with the exception of social pensions and civil disability. The decrease was more pronounced among war pensions (-12.8%), disability pensions (-5.5%) and between injury pensions (-2.3%).

In absolute values, the largest reductions were found among disability pensioners (almost 76 thousand less), those of old age (almost 42 thousand less) and among the survivors (about 33 thousand less). The social pension beneficiaries instead increased by slightly more than 11 thousand, and those of civil disability of more than 42 thousand.

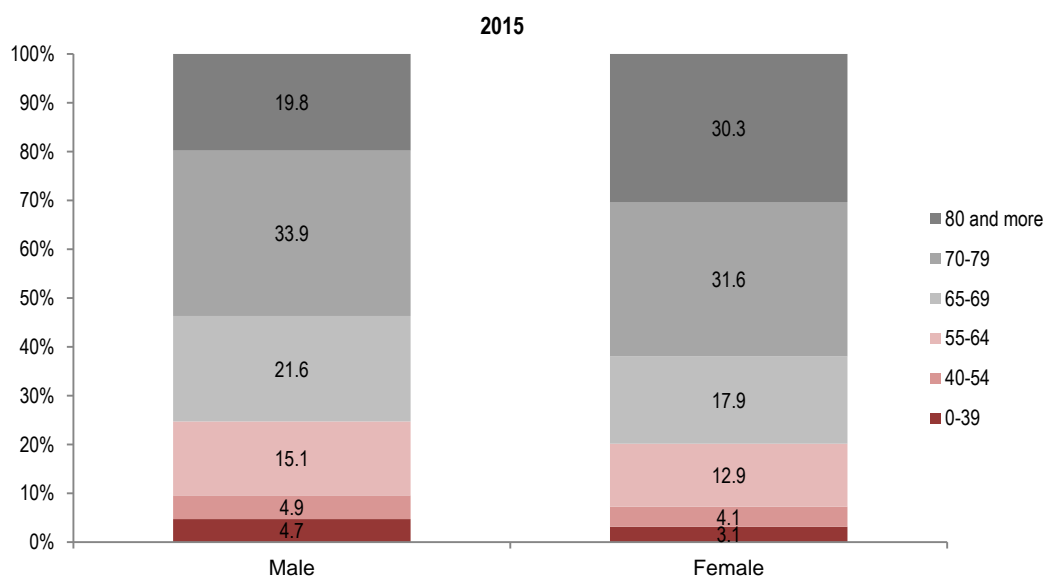
**FIGURE 1. SURVIVING, NEW AND CEASED PENSIONERS. Year 2015**



Source: Administrative Register Central Record of Pensions

In 2015 women represented 52.8% of pensioners. Over three quarters of pensioners (76.7%) were at least 65 years old. Gender analysis enlightens the increasing presence of women among oldest pensioners: 30.3% of them were at least 80 years old (proportion that dropped to 19.8% among men); women pensioners at least 90 years old represented 6.2% of the overall number of women pensioners (2.5% among men) (Figure 2).

**FIGURE 2. PENSIONERS BY SEX AND AGE CLASS. Year 2015, percentage compositions**



Source: Administrative Register Central Record of Pensions

### Strong decrease for the number of pensioners who continued to work

The Labour force survey data allow to identify retired people who received an employment pension and stated that they were working at the same time. They were people who, even if they held a pension, continued to work. This aggregate was not very consistent and decreased (-14.3%) between years 2011 and 2015 (515 thousand to 442 thousand).

Two aspects most characterized this group in 2015: three cases out of four were men and over 86% of the workforce were self-employed. With regard to other characteristics, 63.5% lived in the northern regions of Italy and about 74% were at least 65 years old (this percentage was 53.7% in 2011). In 2015, 63.6% of

retired people collecting an employment pension who continued to work worked in services, and about a third of them in the trade sector (Table 3). The share of people employed in agriculture, a sector that from 2011 to 2015 had a better performance than other sectors, was over 15%. The sharpest decline in percentage occurred in building and construction, which was one of the sectors hardest hit by the economic recession of 2009.

With regard to occupation, in 2015 approximately 41% of employed with pension held a qualified job, 31% were factory workers, about a quarter were office workers and only a small share had a low skilled job (3.4%).

A comparison with total people in employment shows significant differences. Those who already received a pension frequently worked in agriculture, with an incidence almost four times higher than the total workforce. In the trade sector, the incidence was about one and a half.

**TABLE 3. EMPLOYED WITH WORK PENSION BY SECTOR OF ECONOMIC ACTIVITY AND OCCUPATION.**  
Years 2011 and 2015, thousand and percentage changes, 2015, percentage compositions

CHARACTERISTICS	2011	2015	Percentage changes	2015	
				Employed with pension	Total employed
<b>ECONOMIC ACTIVITY</b>					
Agriculture	69	67	-3.9	15.1	3.8
Industry excluding building/construction	83	71	-14.6	16.0	20.1
Building/construction	40	24	-40.6	5.3	6.5
Services, of which:	324	281	-13.2	63.6	69.6
Trade	116	93	-20.3	21.0	14.2
Professional, support service activities	68	66	-3.2	14.9	11.2
Education and health	38	33	-13.7	7.4	14.7
Other collective and personal services	41	39	-4.4	8.8	7.9
<b>OCCUPATION</b>					
High skilled	203	181	-11.1	40.9	34.4
Employees trade and services	115	109	-5.2	24.6	30.3
Workers	174	137	-21.1	31.0	23.2
Low skilled	24	15	-35.6	3.4	12.1
<b>Total</b>	<b>515</b>	<b>442</b>	<b>-14.3</b>	<b>100.0</b>	<b>100.0</b>

Source: Labour force survey.

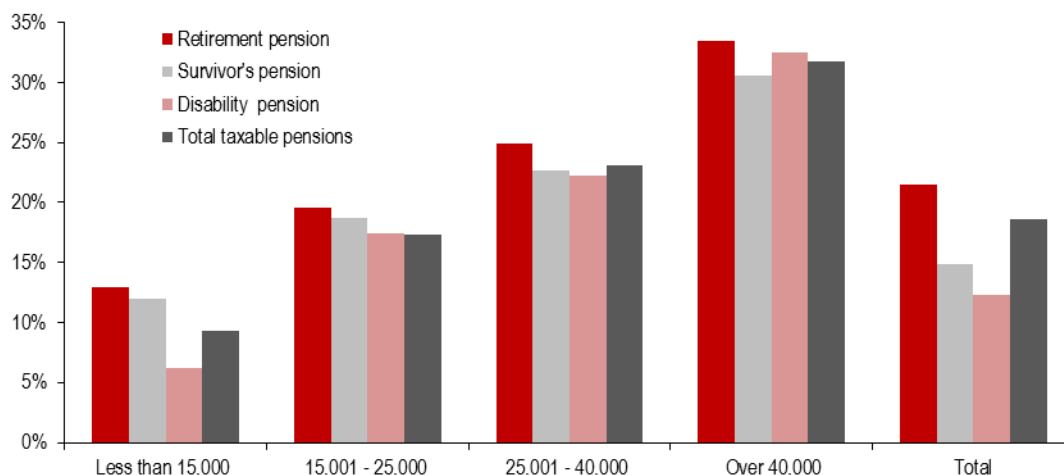
In the education and health sectors, by contrast, the incidence was about half of the total of employed people. As for occupation, those who hold a pension more frequently took up skilled jobs or were factory workers, and had unskilled jobs less frequently. 86.4% of pension holders were self-employed, of these 58.6% were self-employed, 20.2% were freelance professionals, and 6.6% were entrepreneurs. Among the employees, however, more than half were factory workers.

## The taxes incidence on the total gross pension income was 18.6%

In 2014, the average pensions (net of tax) of Italian resident beneficiaries (aged 16+) was estimated at around 13,8 thousand euros. The taxes incidence on the total gross pension (before tax) was equal to 18.6%, slightly higher than the previous year (+1%). The direct tax incidence was higher for pension of retired workers (21.4%), and lower for survivors' and disability pensions beneficiaries, 14.8% and 12.3% respectively (Figure 3). Given the progressivity of the Italian tax system, the average rate of tax increases more than proportionally the rise of income, for all types of taxable pensions. In particular, in the highest bracket (40,000 euro), the average tax rate applied to retirement pensions was equal to 33.4%, 20 percentage points higher respect to the lowest one (less than 15,000).

FIGURE 3. AVERAGE TAX RATE BY DIFFERENT GROSS TAXABLE PENSIONS AND BRACKETS.

Year 2014 percentage values and in euros



In the same year, it is estimated that 12,4 million households contained/had at least one pensioner. More than a third of pensioners lived in childless couples, 28.6% were one person living alone, 17.4% belonged to households with children, 10.5% were in other types of family (Table 4).

TABLE 4. HOUSEHOLD COMPOSITION OF PENSIONERS BY GEOGRAPHICAL AREAS. Year 2014, percentage values

Household type	North	Centre	South and Islands	Italy
Single person	29.9	29.0	26.4	28.6
Couples without children	38.7	34.9	31.7	35.7
Couples with one or more children	15.0	15.0	22.4	17.4
Single-parent households	7.2	8.2	8.6	7.9
Other types	9.1	12.9	11.0	10.5
- Two or more family households	2.0	2.6	1.9	2.1
- Multi-person households	2.8	3.2	3.8	3.2
- Couples/Single-parent with members other than children	4.4	7.1	5.4	5.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

For almost two-thirds of these families (62.3%) pension transfers represented over 75% of disposable household income (for 26.5% pension was their only source of income) (Table 5).

**TABLE 5. SHARE OF PENSION INCOME BY HOUSEHOLD CHARACTERISTICS AND GEOGRAPHICAL AREAS.**  
Year 2014, percentage values

	less than 25%	25-50%	50-75%	more than 75%	(100%)
<b>HOUSEHOLD TYPE</b>					
Single person	3.1	4.1	6.7	86.2	44.5
Couples without children	4.2	8.2	10.6	77.0	28.0
Couples with one or more children	26.0	30.4	24.6	18.9	2.5
Single-parent households	18.0	33.6	21.6	26.7	8.2
Other types	18.6	31.4	20.7	29.4	7.9
- Two or more family households	28.5	40.1	17.0	14.4	5.2
- Multi-person households	6.6	23.1	19.7	50.5	15.5
- Couples/Single-parent with members other than children	22.7	33.6	22.6	21.1	4.0
<b>HOUSEHOLD INCOME STRUCTURE</b>					
Only pensioners:	2.4	4.3	7.9	85.3	39.6
- with pension and labor income	0.2	1.3	4.0	94.5	46.1
- only pension recipients	14.7	20.5	29.0	35.8	4.2
With pensioners and other adult members:	20.1	28.8	20.7	30.4	8.2
- only pension recipients and other adult members without labor income	0.6	3.3	7.0	89.1	29.4
- only pension recipients and other members with at least one labor incomes	19.5	40.8	30.7	9.0	0.4
- pensioners with other labor income and other adult members without labor income	28.7	28.2	22.0	21.1	1.2
- pensioners and other adult members with at least one labor income respectively	44.2	36.4	16.1	3.3	-
<b>NUMBER OF INCOME RECIPIENTS</b>					
One	4.1	4.7	6.6	84.7	41.4
Two	10.8	19.0	16.6	53.6	17.7
Three or more	25.7	35.0	26.2	13.1	1.1
<b>GEOGRAPHICAL AREAS</b>					
North	9.6	16.0	13.3	61.0	24.9
Centre	11.0	14.3	13.9	60.8	26.7
South and Islands	9.4	12.7	12.8	65.2	28.6
<b>Italy</b>	<b>9.8</b>	<b>14.6</b>	<b>13.3</b>	<b>62.3</b>	<b>26.5</b>

The average disposable income of pensioner' households amounted to 28,410 euros (Table 6), about 2,100 euros less compared with the income level of households where no one got a pension (30,500 euros). Half of the households with pensioners did not exceed the threshold of 22,270 euros income, in the South and the Islands area the median household income was equal to 19,290 euros, about 5,000 euros less than other geographical areas.

In 2014, the poverty risk rate for the households with at least one pensioner was lower compared with the other households (16.5 % vs 22.5 %). Pension benefits seemed to have a significant impact on the reduction of poverty exposition. The risk was relatively higher among pensioners living alone (23.4%) or together with their children as single parents (16.3%) and even more in households where all members were workless (29.7%).

TABLE 6. HOUSEHOLD NET INCOME (MEAN AND MEDIAN), POVERTY RISK AND SEVERE MATERIAL DEPRIVATION BY HOUSEHOLDS CHARACTERISTICS. Year 2014, percentage values and in euros

	HOUSEHOLDS WITH PENSIONEERS				HOUSEHOLDS WITHOUT PENSIONEERS			
	Mean	Median	At risk of poverty	Severe material deprivation	Mean	Median	At risk of poverty	Severe material deprivation
<b>HOUSEHOLD TYPE</b>								
Single person	16,659	14,601	23.4	10.9	18,551	17,138	23.9	12.8
Couples without children	29,746	24,201	10.6	6.5	33,972	30,957	14.5	8.2
Couples with one or more children	44,209	38,295	12.9	12.0	37,598	33,614	21.2	10.2
Single-parent households	31,025	27,727	16.3	13.1	21,815	20,460	33.6	16.3
Other types	41,442	36,477	13.5	13.1	32,936	30,110	25.2	25.4
<b>HOUSEHOLD INCOME STRUCTURE</b>								
Only pensioners:	22,021	18,027	17.4	9.1	.	.	.	.
- with pension and labor income	19,507	16,902	19.5	9.5	.	.	.	.
- only pension recipients	35,693	28,240	6.0	7.0	.	.	.	.
With pensioners and other adult members:	37,270	31,679	15.2	11.8	.	.	.	.
- only pension recipients and other adult members without labor income	20,559	18,277	29.7	14.5	.	.	.	.
- only pension recipients and other members with at least one labor incomes	39,660	35,787	10.9	12.2	.	.	.	.
- pensioners with other labor income and other adult members without labor income	35,458	28,863	19.0	10.6	.	.	.	.
- pensioners and other adult members with at least one labor income respectively	55,082	47,952	3.9	7.4	.	.	.	.
<b>NUMBER OF INCOME RECIPIENTS</b>								
One	17,475	15,386	25.3	11.8	18,827	18,069	34.6	15.9
Two	32,716	28,209	9.7	8.7	39,464	36,257	11.9	7.4
Three or more	52,545	47,120	5.5	8.8	50,741	45,786	6.5	9.7
<b>GEOGRAPHICAL AREAS</b>								
North	30,972	24,069	10.1	4.3	34,525	30,353	13.3	7.2
Centre	30,267	23,979	14.3	8.1	30,476	26,209	19.1	9.4
South and Islands	23,602	19,286	27.0	19.9	24,037	20,975	39.2	20.6
<b>Italy</b>	<b>28,408</b>	<b>22,272</b>	<b>16.5</b>	<b>10.2</b>	<b>30,461</b>	<b>26,106</b>	<b>22.5</b>	<b>11.8</b>

For more details please refer to the Italian version

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