

Pensioners' living conditions

Years 2015-2016

Istat publishes this Focus on Pensioners' Living Conditions to disseminate 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 2016 pensioners were 16.1 million, around 115 thousand fewer if compared to 2015; each of them received an annual average income of 17,580 euros (257 euros more than the previous year). Women represented 52.7% of pensioners and received an average pension income 6 thousand lower of that received by man.

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 62.1% in 2016), while geographical gap was on the rise: North-East regions pensions' annual average amount exceeded that of South and Island by 18.2% (vs 8.8% in 1983).

Over two thirds (67.4%) of survivor pension beneficiaries received more than one pension; they were mainly women (86.6%). Old age pensioners less frequently received more than one pension (27.9%).

In 2016 pensioners who continued to work numbered 436 thousand, down from 2011 (-15.5%). Over three quarters of pensioners were men. 85.8% of employed pensioners were self-employed; 65.1% lived in the northern regions of Italy; 54.0% held at most a lower secondary school certificate.

In 2015, the average pensions (net of tax) of Italian resident beneficiaries (aged 16+) was estimated at around 14,310 euros (up 4% from 2014).

The tax burden on pension income (i.e. the ratio of levy tax at source to the total gross pension) was equal to 18.9%, slightly higher than the previous year (+0.3%). The direct tax incidence was higher for pensions of retired workers (21.6%), and lower for survivors' and disability pensions beneficiaries, 18% and 12.9% respectively.

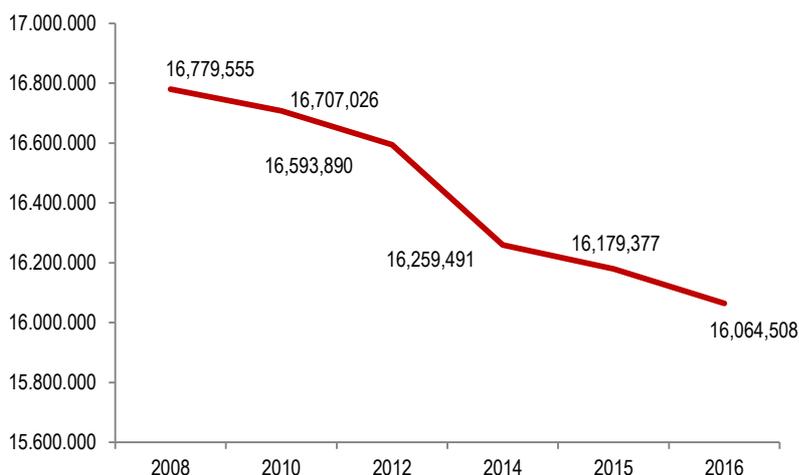
In the same year, it is estimated that there was at least one pensioner in over 12 million households. More than a third of pensioners lived in childless couples, 27.8% were single person living alone, 18% belonged to households with children, 10% were in other types of family.

For almost two-thirds of these families (63.3%) pension transfers represented over 75% of disposable household income (for 26.4% pension was their only source of income).

The average disposable income of pensioners' households amounted to 29,230 euros (table 6), about 1,400 euros less compared with the income level of households where no one got a pension (30,650 euros). Half of the households with pensioners did not exceed the threshold of 23,280 euros income, in the South and the Islands area the median household income was equal to 19,750 euros, about 5,000 euros less than other geographical areas.

In 2015, the poverty risk rate for the households with at least one pensioner was lower compared with the other households (16.5% vs 24.5%). Pension benefits seemed to have a significant impact on the reduction of poverty exposition.

PENSIONERS. Years 2008-2016, absolute values



Pensioners were still decreasing

In 2016 pensioners were 16.1 million, around 115 thousand fewer if compared to 2015. They received an average annual pension income of 17,580 euros, 257 more than in 2015 (Table 1).

TABLE 1. PENSIONERS AND ANNUAL, OVERALL AND AVERAGE, AMOUNT OF PENSION INCOME, BY SEX. Years 2015-2016

Sex	2015					2016				
	Pensioners		Amount			Pensioners		Average		
	Number	%	Overall (mln of euro)	%	Average (euro)	Number	%	Overall (mln of euro)	%	Average (euro)
Male	7,639,405	47.2	156,081	55.7	20,431	7,601,326	47.3	157,328	55.7	20,697
Female	8,539,972	52.8	124,201	44.3	14,543	8,463,182	52.7	125,087	44.3	14,780
Total	16,179,377	100.0	280,282	100.0	17,323	16,064,508	100.0	282,415	100.0	17,580

Source: Administrative gister Central Record of Pensions

New pensioners (people who started to receive at least one pension in 2016) were fewer than those who ceased, i.e., those that in the same year stopped receiving pensions (575 thousand vs 689 thousand) (Table 2),

TABLE 2. NUMBER, AVERAGE ANNUAL INCOME AND AVERAGE AGE OF NEW, CEASED AND SURVIVING PENSIONERS, BY TYPE OF PENSION. Years 2015-2016

TYPE OF PENSION	Year 2015			Year 2016											
	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	11,141,662	20,191	73.6	10,761,937	20,479	74.3	286,170	24,509	62.8	379,725	20,472	82.0	11,048,107	20,583	74.1
Disability	1,301,030	16,686	72.4	1,183,338	17,041	72.8	60,561	13,543	54.6	117,692	17,389	78.5	1,243,899	16,871	71.9
Survivor	4,442,823	17,387	75.5	4,171,088	17,628	76.1	243,075	17,825	69.5	271,735	18,386	81.7	4,414,163	17,639	75.7
Injury	758,459	17,942	68.3	724,767	18,122	68.8	14,348	13,605	56.6	33,692	22,272	79.0	739,115	18,034	68.5
Civil disability	2,690,854	14,880	64.7	2,310,514	14,716	64.1	432,228	15,972	67.3	380,340	17,352	74.7	2,742,742	14,914	64.6
Social	867,903	9,553	73.6	800,374	9,740	74.4	72,375	7,876	66.4	67,529	11,630	76.0	872,749	9,586	73.7
War	196,205	22,888	80.3	177,373	23,570	80.3	5,727	21,818	74.8	18,832	23,009	89.3	183,100	23,515	80.1

Source: Administrative Register Central Record of Pensions

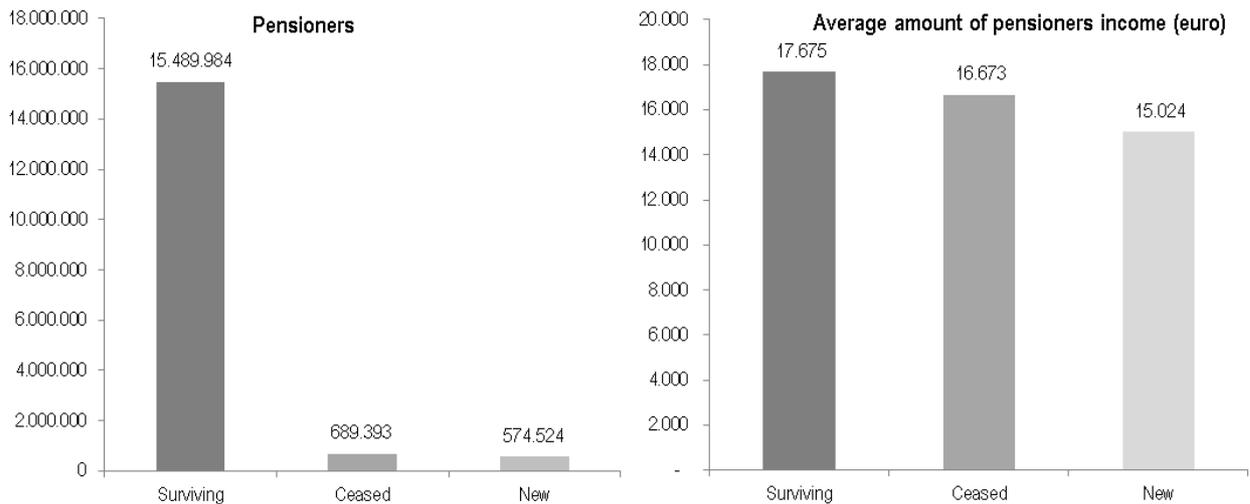
New pensioners' annual average income was lower if compared to that received by ceased pensioners (15,024 vs 16,673) and by those who were receiving pensions both in 2015 and 2014 (17,675 euro), that

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 relevant among war pensions (-6.7%), disability pensions (-5.5%) and between injury pensions (-2.3%).

In absolute values, the largest reductions were found among old age (almost 94 thousand less) and disability pensioners (almost 57 thousand less), those of old age and among the survivors (about 33 thousand less). The social pension beneficiaries instead increased by slightly more than 5 thousand, and those of civil disability of more than 52 thousand.

FIGURE 1. SURVIVING, NEW AND CEASED PENSIONERS. Year 2016



Source: Administrative Register Central Record of Pensions

In 2016 women represented 52.7% of pensioners. Over three-quarters of pensioners (77.2%) were at least 65 years old. Gender analysis enlightened the increasing presence of women among oldest pensioners: 30.9% of them were at least 80 years old (proportion that dropped to 20.4% among men); women pensioners at least 90 years old represented 6.1% of the overall number of women pensioners (2.1% among men) (Figure 2).

FIGURE 2. PENSIONERS BY SEX AND AGE CLASS. Year 2016, 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 (-15.5%) between 2011 and 2016 (515 thousand to 436 thousand).

Two aspects most characterized this group in 2016: three cases out of four were men and about 86% of the workforce were self-employed. With regard to other characteristics, 65.1% lived in the northern regions of Italy and about 75% were at least 65 years old (this percentage was 53.7% in 2011). In 2016, 65.6% of retired people receiving a retirement pension was still occupied in the services sector, and about a third of them in the trade sector (Table 3). The share of people employed in agriculture was over 15%.

With regard to occupation, in 2016 approximately 41% of employed with pension held a qualified job.

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 2016, thousand and percentage changes, 2016, percentage compositions

CHARACTERISTICS	2011	2016	Percentage changes	2016	
				Employed with pension	Total employed
ECONOMIC ACTIVITY					
Agriculture	69	68	-2.0	15.6	3.9
Industry excluding building/construction	83	62	-24.9	14.3	20.0
Building/construction	40	20	-49.8	4.6	6.2
Services, of which:	324	286	-11.7	65.6	70.0
<i>Trade</i>	116	102	-12.6	23.3	14.2
<i>Professional, support service activities</i>	68	68	-0.6	15.5	11.4
<i>Education and health</i>	38	32	-16.3	7.3	14.8
<i>Other collective and personal services</i>	41	37	-8.7	8.6	7.8
OCCUPATION					
High skilled	203	179	-12.0	41.1	34.6
Employees trade and services	115	105	-8.2	24.2	30.5
Workers	174	134	-22.8	30.8	22.8
Low skilled	24	17	-26.7	4.0	12.1
Total	515	436	-15.5	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. 85.8% of pension holders were self-employed, of these 57.0% were self-employed, 22.9% 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 18.9%

In 2015, the average pensions (net of tax) of Italian resident beneficiaries (aged 16+) was estimated at around 14,3 thousand euros. The taxes burden on the total gross pension was equal to 18.9%, slightly higher than the previous year (+0.3%). The direct tax incidence was higher for pension of retired workers (21.6%), and lower for survivors' and disability pensions beneficiaries, 18% and 12.9% respectively (Figure 3). Given the progressivity of the Italian tax system, the average rate of tax increased more than proportionally the rise of income, for all types of taxable pensions. In particular, in the highest bracket (40,000 euros), the average tax rate applied to retirement pensions was equal to 33.9%, 22 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 2015 percentage values and in euros



Source: Eu-Silc

In the same year, it is estimated that over 12 million households had at least one pensioner. More than one third of pensioners lived in childless couples, 27.8% were single person living alone, 18% belonged to households with children, 10% were in other types of family (Table 4).

TABLE 4. HOUSEHOLD COMPOSITION OF PENSIONERS BY GEOGRAPHICAL AREAS. Year 2015, percentage values

Household type	North	Centre	South and Islands	Italy
Single person	28.8	27.4	26.5	27.8
Couples without children	39.7	36.3	31.1	36.2
Couples with one or more children	15.5	16.8	22.3	18.0
Single-parent households	7.7	8.0	8.6	8.0
Other types	8.3	11.5	11.4	10.0
- Two or more family households	1.4	2.0	2.5	1.9
- Multi-person households	2.8	2.7	3.9	3.2
- Couples/Single-parent with members other than children	4.1	6.8	5.0	4.9
Total	100	100	100	100

Source: Eu-Silc

For almost two-thirds of these families (63.3%) pension transfers represented over 75% of disposable household income (for 26.4% pension was their only source of income) (Table 5).

TABLE 5. SHARE OF PENSION INCOME BY HOUSEHOLD CHARACTERISTICS AND GEOGRAPHICAL AREAS. Year 2015, percentage values

	less than 25%	25-50%	50-75%	more than 75%	(100%)
HOUSEHOLD TYPE					
Single person	2.9	3.6	5.5	88.0	(44.1)
Couples without children	3.9	8.0	10.1	78.0	(28.1)
Couples with one or more children	24.4	30.1	24.2	21.3	(4.6)
Single-parent households	17.0	34.8	21.0	27.2	(7.8)
Other types:	17.1	32.3	19.8	30.8	(9.1)
- Two or more family households	20.3	48.0	16.5	15.2	(3.5)
- Multi-person households	9.2	22.8	16.2	51.8	(18.7)
- Couples/Single-parent with members other than children	21.3	33.1	23.4	22.1	(4.6)
HOUSEHOLD INCOME STRUCTURE					
Only pensioners:	2.3	4.1	6.8	86.8	(39.2)
- with pension and labor income	0.3	1.2	3.6	94.9	(44.5)
- only pension recipients	16.2	24.9	30.0	28.9	(1.3)
With pensioners and other adult members:	18.5	28.4	20.1	33.0	(9.9)
- only pension recipients and other adult members without labor income	0.8	2.5	6.3	90.5	(32.0)
- only pension recipients and other members with at least one labor incomes	16.9	43.6	30.0	9.5	(0.3)
- pensioners with other labor income and other adult members without labor income	31.7	23.2	27.5	17.6	(2.3)
- pensioners and other adult members with at least one labor income respectively	49.8	34.7	14.1	1.4	(-)
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	9.3	14.7	12.6	63.3	(26.4)

Source: Eu-Silc

The average disposable income of pensioner' households amounted to 29,230 euros (Table 6), about 1,400 euros less compared with the income level of households where no one got a pension (30,650 euros). Half of the households with pensioners did not exceed the threshold of 23,280 euros income, in the South and the Islands area the median household income was equal to 19,750 euros, about 5,000 euros less than other geographical areas.

In 2015, the poverty risk rate for the households with at least one pensioner was lower compared with the other households (16.5% vs 24.2%). Pension benefits seemed to have a significant impact on the reduction of poverty exposition. The risk was relatively higher among pensioners living alone (21.8%) or together with their children as single parents (18.6%) and even more in households in which all members were workless (34.9%).

TABLE 6. HOUSEHOLD NET INCOME (MEAN AND MEDIAN), POVERTY RISK AND SEVERE MATERIAL DEPRIVATION BY HOUSEHOLDS CHARACTERISTICS. Year 2015, 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
HOUSEHOLD TYPE								
Single person	17,311	15,373	21.8	13.4	17,982	17,292	28.6	15.0
Couples without children	30,718	25,342	12.6	9.4	34,262	32,049	15.4	7.1
Couples with one or more children	44,597	40,311	12.6	12.3	38,766	34,828	22.2	10.6
Single-parent households	31,231	29,348	18.6	14.3	23,725	21,773	31.0	14.2
Other types	40,968	36,892	13.9	13.5	32,400	29,290	24.4	23.6
HOUSEHOLD INCOME STRUCTURE								
Only pensioners:	22,969	19,245	16.4	11.8	.	.	.	.
- with pension and labor income	20,569	18,091	18.0	12.1	.	.	.	.
- only pension recipients	40,128	31,933	4.7	9.2	.	.	.	.
With pensioners and other adult members:	37,290	32,125	16.7	12.7	.	.	.	.
- only pension recipients and other adult members without labor income	20,969	18,787	34.9	18.2	.	.	.	.
- only pension recipients and other members with at least one labor incomes	41,415	37,958	9.0	11.1	.	.	.	.
- pensioners with other labor income and other adult members without labor income	37,902	31,550	17.0	14.0	.	.	.	.
- pensioners and other adult members with at least one labor income respectively	55,409	49,615	5.3	6.2	.	.	.	.
NUMBER OF INCOME RECIPIENTS								
One	18,125	15,914	25.2	14.7	18,550	17,984	36.6	16.8
Two	33,691	29,745	10.5	10.3	40,094	37,223	12.7	7.9
Three or more	52,888	47,210	4.9	9.0	53,654	48,039	7.8	7.7
GEOGRAPHICAL AREAS								
North	31,219	25,471	10.3	6.5	34,799	29,583	15.7	7.3
Centre	31,588	24,949	14.3	9.2	30,773	25,742	21.6	9.9
South and Islands	24,954	19,755	26.8	21.9	24,021	21,305	39.3	21.9
Italy	29,227	23,279	16.5	12.2	30,652	25,651	24.2	12.3

Source: Eu-Silc

For more details please refer to the Italian version

Contact persons:

Corrado Peperoni (peperoni@istat.it)

phone +39 06 4673.3833

Paolo Consolini (consolin@istat.it)

phone +39 06 4673.2424

Mauro Tibaldi (tibaldi@istat.it)

phone +39 06 4673.2513

Istat – National Institute of Statistics

Via Cesare Balbo, 16 – Rome 00184 Italy