

“Totalization” of contributions to different pension schemes

Summary of the most relevant points of the decree issued by the Italian Government on January 19, 2006

The decree modifies the current legislation, and allows workers who contributed to different pension schemes (included the scheme for the so called non-typical workers) to sum up their contribution periods into one pension.

This rule applies with the following requirements:

- contribution periods to sum must be at least 6-year-long;
- the worker must be either at least 65 years old and have contributed globally for at least 20 years, or, regardless of age, have contributed for at least 40 years.

Each scheme will pay the contributor his/her part of pension, without any cost for the worker. However, each pension, regardless of the formula of the corresponding scheme, will be only computed according to the contribution-based method.

Before this decree, summing up the contribution periods was possible only when the worker had met the requirements for the old age pension in all schemes, but it was also costly for the worker, as he/she was required to (at least partially) pay for the earning-based benefit.

The new procedure does not bear any cost for the workers, who, however, will have all pensions computed through the less generous contribution-based formula.