

MINISTRY OF ECONOMY AND FINANCE

Department of General Accounts

General Inspectorate for Social Expenditure

Mid-long term trends for the pension and health care systems

Summary and conclusions

The forecasts of the Department of General Accounts updated to 2005

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This report has been produced with the collaboration of
Consip – Forecasting models for social expenditure

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The results of the forecasts for public pension and health care expenditures in terms of GDP, updated to 2005, are presented and analysed in the report (chapters 2 and 3). These forecasts have been carried out with the models of the Department of General Accounts (Ragioneria Generale dello Stato–RGS), using forecasting scenarios defined both at national and European levels, the latter worked out by the Economic Policy Committee - Working Group on Ageing, EPC-WGA.

Beyond illustrating the results by expenditure item, the report offers a thorough analysis of the explicative factors underlying the foreseen dynamics and a description of the differences coming about due to the updating procedures. These procedures relate to a reassessment of the initial forecasting data, possible variations in the legal institutional framework and the definition of the demographic and macroeconomic hypotheses underlying the forecasting scenarios.

The forecasts updated to 2005 present important new elements concerning this latter aspect. In fact, both within the national ambit and at European level the parameters underlying the demographic and macroeconomic scenario have been thoroughly revised (chapter 1).

With respect to past years, the report has been enlarged to include a chapter entirely devoted to the analysis of public expenditure for dependent people because of old age or disability, better identified as Long Term Care expenditure - LTC (chapter 4). This expenditure component is closely linked to the process of population ageing, and for that reason has recently been included in the calculations of the indicators of the sustainability of public finance, as defined at European level.

A further novelty of the report lies in the inclusion of a chapter (chapter 5) given over to an analysis of the replacement rates in the public and private, supplementary pension systems, calculated both gross and net of contributory and fiscal burdens. This chapter integrates and completes the analysis of the financial sustainability of the pensions system as regards the adequacy of benefits, according to the indications contained in the open method of co-ordination agreed at European level.

The first updating phase for the forecasting models was concluded in June 2005 with the setting out of the Economic and Financial Planning Document (DPEF) for 2006-2009. Successively, in October, certain adjustments were made to the starting data for forecasting to take into account the corrected estimates of economic growth for 2005 carried in the Forecasting and Planning Report (RPP) for 2006. The forecasts updated on the basis of the “new” scenario hypotheses defined at European level were presented in the updating document of the Italy Stability Programme for the year 2005, in the section

dedicated to the assessment of the middle and long-term sustainability of social expenditure.

The initial values of GDP and, consequently, the forecasting values do not take into account the revision of the past data series recently carried out by Istat for the period 1992 – 2000. In fact, as the Institute made clear in a note of the 22nd December 2005, the extension of this revision to cover the years 2001 – 2005 will be available within 2006.

For 2005, the growth rate of GDP, and its decomposition in terms of productivity and employment, is coherent with the indications contained in the Forecasting and Planning Report (RRP) 2006.

The initial forecasting year is 2004. In that year, public expenditure on pensions and health care in terms of GDP settled at 14.2% and 6.5% respectively, substantially in line with last year's forecasts.

The forecasts for health expenditure do not take into account the measures included in the budgetary bill outlined for 2006. However, alongside the forecasts carried out according to the current regulations, a further forecast of health expenditure has been worked out which does take into account the manoeuvre contained in the above-mentioned bill.

As regards the pension system, the forecast based on the current regulations incorporates the effects of the measures contained in the reform law of 2004 (L243/2004), already embodied in last year's updating. Beyond this, it takes into account the effects of the ten-yearly revision of the transformation coefficients. The revision has been made according to the life expectancy assumptions hypothesised in the reference demographic scenarios. The financial effects of the revision are analysed in a specific box in chapter 2.

As in the past, the national forecasts have been made on the basis of two different scenarios, the 'national baseline scenario' and the 'national programmatic scenario'. The latter differs from the former exclusively regarding the hypotheses of economic growth relating to the period covered by the Economic and Financial Planning Document – DPEF (2006 – 2009), for which it follows the macroeconomic indications underlying the Forecasting and Planning Report 2006. However, the economic growth forecasts contained in that document are not significantly higher than those assumed in the national baseline scenario updated to 2005, and this makes the two scenarios substantially the same.

Regarding the mid-long term period, the demographic and macroeconomic hypotheses underlying the national baseline scenario have been thoroughly revised with respect to the last version.

In particular, the demographic component embodies the hypotheses underlying the population projection recently produced by Istat on the basis of the final results of the last census. In comparison with the previous forecast based on 2001, the forecast updated to 2005 involves a significant revision of all three underlying demographic parameters. Specifically, i) the level of life

expectancy in 2050 has been adjusted upwards by 2.2 years for males and 0.7 years for females, settling on respectively 83.6 and 88.8; ii) the fertility rate is hypothesised to increase over the whole forecasting period, from 1.3 to 1.6, whilst in the 2001 population projection the final figure was 1.4; iii) the net migration flow has been adjusted to 150 thousand per year with an increase of over 30 thousand in comparison to the previous forecasts (table A).

In order to respect the internal coherence of the forecasting scenarios, the updating of the demographic framework has of necessity involved a revision of the macroeconomic hypotheses (Ministry of the Treasury - Department of General Accounts, 2000). The most relevant change regards the growth rate of productivity, which reaches 1.8% in 2026 instead of 2% as in the previous scenario. The pick up in the fertility rate and the increase in migration flow determine, all other conditions being equal, higher employment levels, which exercise a containing effect on the structural dynamic of productivity growth by way of a modification of the capital deepening. In the new scenario, productivity settles at an annual average growth rate of 1.6–1.7% over the whole forecasting period as against the 1.8% hypothesised in the macroeconomic framework of last year.

As far as the hypotheses on the labour market are concerned, changes are of minor importance, and linked prevalently to the updating of the data base used to estimate the parameters. In particular, the unemployment rate moves gradually to the level of 4.5% in 2050. At the same date the participation rate in the 15-64 age group settles at 70.4%, with an increase of around 8 percentage points compared to the level in 2004. Correspondingly, the employment rate moves from 57.4% in 2004 to 67.2% in 2050.

On the basis of the demographic and macroeconomic hypotheses mentioned above, the real growth rate of GDP settles, on average, at an annual figure of around 1.4 -1.5% for the entire forecasting period, with a profile showing a slight decrease in the first three decades and a slight recovery in the final years.

The dynamic of the ratio between pension expenditure and GDP in the national baseline scenario is shown in figure A1. After an initial phase of containment, due to the dispositions of the reform of 2004 coming into force, which raise the minimum requirements for pension entitlement, the ratio begins to increase until reaching a peak of 15.5% in 2038. After this, a phase of rapid decline begins, bringing the figure down to 14,1% in 2050.

In the middle of the forecasting period, the growth of the ratio between pensions and employees due to demographic change exceeds the containing effect on the evolution of pension amounts which comes about from the gradual introduction of the contribution-based method (the mixed regime). The rapid decrease in the ratio of pension expenditure to GDP in the final phase of the forecasting period is determined by the shrinkage in pension amounts as an effect of the transition from a mixed regime to a contribution-based one, whilst there is initially a slowdown, and then an inversion, in the ratio between

pensions and employees. This last phenomenon arises from the gradual disappearance through death of the baby boom generation.

In comparison to the 2004 forecast, the ratio between expenditure and GDP as updated to 2005 shows an alternating progression. In the initial and closing years of the forecasting period it takes up a higher position, whilst in the central part it is noticeably lower. These differences are entirely caused by the deviations in the GDP time profiles and the delayed effects on pension expenditure.

In consideration of the reduction in the ratio between average pension and productivity forecast in the mid-long term period, the illustration of the financial effects is flanked by an analysis of the distributive effects by fund and cohort. Beyond this, a broad analysis is given of the replacement rates, calculated for the entire forecasting period, coherent with the demographic and macroeconomic hypotheses underlying the national baseline scenario.

The forecast of the ratio between public health care expenditure and GDP has been carried out on the basis of methodological indications agreed within the EPC-WGA in 2001. In particular, the standardised per capita consumption (Consumo Pro capite Standardizzato - CPS) – that is, the evolution of health care consumption maintaining the demographic structure by age and sex unchanged – has been assumed to evolve in line with per capita GDP, while the consumption profiles by age, sex and typology of provision have been kept constant throughout the whole forecasting period.

However, in a partial departure from the methodological indications given above, the forecast for health care expenditure for the period 2006-2009 has been carried out separately for each single expenditure item on the basis of the information available.

Forecasts of health care expenditure do not take into account those methodological ‘variants’ currently under discussion in the EPC-WGA. These are alternative working hypotheses as yet not brought together into a commonly agreed synthesis. However, an analysis of the financial effects of certain of these methodological variants is given in paragraph 3.7 of chapter 3, aimed at making endogenous the evolution of the health care consumption profile.

The forecast of the ratio between public health care expenditure and GDP (fig. A2) using the national baseline scenario hypothesis (bold curve) shows a more or less regular growth until 2035. Only in the final fifteen years does the growth rate drop off slightly, as a result of the death of the baby boom generation. In the whole forecasting period the ratio increases by two percentage points, passing from 6.5% in 2003 to 8.3% in 2050.

Compared to the forecast obtained with the model updated to 2004, the incidence of health care expenditure on GDP starts at a noticeably higher level. This is due to a downward revision of the growth rate of GDP in 2005. This difference decreases rapidly, however, until becoming slightly negative in the

second half of the forecasting period, under the effect of the revision of the demographic parameters underlying the national baseline scenario.

Public expenditure for care to dependent people because of old age and disability, better known as public expenditure on LTC, includes three components: i) the health component of LTC expenditure; ii) the costs of cash benefits (*indennità di accompagnamento*); iii) expenditure on ‘other LTC provisions’. The overall expenditure, which accounts for 1.56 percentage points of GDP in 2004, refers to all provisions regardless of the age of recipients.

However, considering that the incidence of dependency is strongly linked to age and that the part of the expenditure most exposed to ageing is that of elderly population, the definition of LTC expenditure is sometimes limited to recipients of 65 and over (Comas-Herrera et al., 2003). All this on the reasonable assumption that the expected growth of LTC expenditure brought about by demographic dynamics is completely driven by the quota provided to the elderly. Were the analysis limited to the elderly, only dependent people of 65 and over, the expenditure for LTC would be reduced by 1/3.

The health component of LTC expenditure is a part of total health care expenditure and has, as such, been the object of forecasting and analysis in previous reports since 2002. The item under consideration is defined on the basis of the SHA (System of Health Accounts) of the OECD and of the guidelines agreed in the ambit of the EPC-WGA. On the basis of these indications, reaffirmed on the occasion of the 2005 updating of the EPC-WGA forecasts, the health care services of LTC constitute a set of provisions complementary to the acute component of health care provisions, and this excludes any possibility of defining an intermediate heading gathering those items which cannot be univocally assigned. In particular, some kind of provisions like supplementary care services, prostheses care, care for drug addicts and alcoholics and psychiatric care, surely present some peculiarities with respect to typical LTC provisions (residential care, semi-residential care and home care). However, failing analytical data, in the first step of the forecasting exercise, the headings mentioned above have been attached to the LTC component.

The other two components of LTC, however, constitute social expenditure items never considered in previous reports. In particular, these are cash benefits provided to dependent people without means testing. Differently, ‘other LTC services’ include a heterogeneous group of benefits, largely in kind, mainly provided at local level by municipalities. These are generally means-tested.

In the national baseline scenario hypotheses, the forecast of public expenditure on LTC as a share of GDP remains substantially stable in the first five years of the forecasting period. This is essentially due to the current indexation mechanism for cash benefits (*indennità di accompagnamento*). Successively the hypothesis that cash benefits will conform to the nominal dynamic of GDP and the accentuated process of ageing causes a reasonably regular growth of

the ratio, save a slight acceleration in the last decade. In the whole forecasting period, the ratio between expenditure on LTC and GDP passes from 1.6% in 2004 to 2.5% in 2050, with an increase of around 0.9 percentage points.

The forecast for total public expenditure on pensions, health and LTC as a percentage of GDP is shown in figure C1. As shown in the graph, the overall public expenditure counts the health component for LTC a single time, insofar as it is included in equal measure both in total health care expenditure and in the total expenditure for LTC.

After an initial phase of substantial stability between 2005 and 2008, the ratio shows a reduction in the succeeding five-year period, driven by the effect of the pension reforms of 2004. After this, a phase of growth begins which continues for around three decades and finishes by reaching a peak of 24.6% in 2041. In the final decade the expenditure/GDP ratio shows a decreasing movement which brings it to settle at 23.7% in 2050, a little more than two percentage points up with respect to the initial 2004 level (21.6%).

As with the national baseline scenario, so too the demographic and macroeconomic hypotheses underlying the EPC-WGA baseline scenario have undergone a thorough revision. This revision was concluded in September 2005 after a long phase of analysis and discussion within the EPC-WGA, which involved academics and experts from various member states (box 1.2). The results of this activity, related to all 25 countries of the European Union, were published in November 2005 by the Economic Policy Committee.

The models used for the EPC-WGA forecasts illustrated in the report are exactly the same as those adopted for the national forecasts. Any differences seen in their results are therefore solely due to the scenario hypotheses. The principal elements that differentiate the EPC-WGA baseline scenario and the national baseline scenario may be deduced from a comparison between the values shown in tables B and A.

As far as the demographic parameters are concerned, the differences do not seem particularly relevant. The central Eurostat scenario (“ad hoc WGA” scenario) assumes a more contained increase in life expectancy and fertility growth dynamics with respect to the Istat central scenario, whilst the net immigration flow is substantially the same. However, the differences in mortality and fertility rate hypotheses tend to balance each other out as regards effects on the elderly dependency ratio, which, at the close of the forecasting period, lies at 62.2% in the Eurostat scenario and 62.6% in that of Istat.

The differences are not especially relevant even regarding the variables in the macroeconomic scenario, particularly when referring to average values for the whole forecasting period. The growth rate of GDP is a little lower than that of the national baseline scenario, with a gap of 0.1–0.2 percentage points, due for around two-thirds to the different employment dynamic. From the point of view of the temporal profile of economic growth, however, a greater misalignment may be noted. The difference in the average rate is the result of an algebraic balance between a slightly higher economic growth in the first

years of the forecasting period, mainly due to a greater employment dynamic, and a lesser growth, of cumulatively greater dimensions, beginning from 2035. This latter depends only in part on the lower productivity growth in the EPC-WGA baseline scenario, which converges at 1.7% in the second half of the forecasting period as against the 1.8% of the national baseline scenario. The remainder of the difference may be explained by a more contained employment dynamic, consequent on the assumption of less favourable hypotheses regarding the revival in fertility rates and the reduction of unemployment rates.

The results of the forecasts carried out within the ambit of the EPC-WGA are shown in figure B, together with those based on the adoption of the national baseline scenario. Compared with the latter, the EPC-WGA baseline scenario gives a ratio of pension expenditure to GDP which is lower during the first part of the forecasting period and higher in the latter part, with the two curves intersecting around 2027. The differences depend prevalently on the different temporal profile of the dynamics of GDP, which produces immediate effects on the denominator of the ratio and delayed effects on the number and average amount of pensions in the second half of the forecasting period.

Diversely, the ratio between health care expenditure and GDP in the EPC-WGA baseline scenario settles at a level which is slightly higher than that of the national baseline one, with a deviation of 0.3 percentage points at the end of the forecasting period. Such a difference is partly accumulated during the first years of the forecasting period, owing to legal-institutional features embodied in the national baseline scenario; the remaining part is explained by differences in the demographic assumptions.

A substantially similar result is shown for the LTC component of public expenditure. Figure B3 demonstrates that the adoption of the EPC-WGA baseline scenario produces a forecast of a higher expenditure/GDP ratio for the entire forecasting period than that resulting from the national baseline scenario. Also in this case, a significant part of the difference comes about in the first years of the forecasting period, this for similar reasons to those mentioned for health expenditure.

Updated forecasts based on the “Lisbon” scenario, that is the “policy change scenario” defined within the EPC-WGA in 2001 alongside the ‘old’ baseline scenario, are not given in the report. This choice has been made due to the fact that the Lisbon scenario has not yet been object of revision, and that the work programme of the EPC-WGA foresees the creation of a new “policy change” scenario during 2006.

The detailed data relating to the forecasting results are to be found in the appendix. The scheme agreed on within the ambit of the EPC-WGA has been adopted for the presentation, which has but been made more exhaustive with the introduction of further information. As far as the sensitivity analyses relating to the demographic and macroeconomic hypotheses are concerned, reference can be made to results already published. In particular, concerning the national scenarios it is possible to consult the 2001 report of the RGS,

whilst for the scenarios defined within the EPC-WGA reference can be made to the report of the Economic Policy Committee published in November 2001.

The analysis carried out in this report allows the following results to be outlined:

- a) The updating to 2005 of the forecasting models of the Department of General Accounts has brought about significant changes regarding the definition of the scenario hypotheses, both at national and European level. However, the forecasts for social expenditure on pensions and health care as a ratio of GDP have not undergone any significant change to their structural dynamic. The substantial confirmation of the forecasting results is essentially due to the fact that the alteration to the demographic and macroeconomic parameters, although relevant, operates in a compensatory sense, as far as the effects on the expenditure/GDP ratio are concerned. In fact, comparative analyses of the indicators used to measure the explicative contribution of single factors of variation show much more consistent deviation.
- b) The forecast for LTC expenditure as a ratio of GDP shows a noticeably higher growth compared to other expenditure items, confirming with this a greater exposure to financial risks connected to the process of population ageing.
- c) Taken together, the forecasts for pensions, health and LTC expenditure reach a maximum increase in terms of GDP in 2041. Compared to the level of 2004, the increase is equal to 3 percentage points in the national baseline scenario hypotheses, and 3.8 in the EPC-WGA baseline scenario, thereafter dropping, respectively, to 2.2 and 3 in 2050.
- d) As far as the pension system is concerned, the measures which have contributed most to the containment of the growth of the ratio between pension expenditure and GDP are; i) the elimination of the real component in the indexation of pensions; ii) the tightening of the minimum requirements as laid down in the reforms of the 90's and of 2004; iii) the introduction of the contribution based regime; iv) the ten yearly revision of the transformation coefficients related to the evolution of life expectancy.
- e) The decomposition of the ratio between pension expenditure and GDP shows the expansive effect of the demographic component (ratio between pensions and employees) and the contextual compensatory effect exercised by the legal-institutional component (ratio between average pension amount and productivity). The expansive effect of the demographic component is due as much to an increase in the absolute level of the elderly population brought about by the drop in mortality and the progressive ageing of the baby boom generation, as to the significant reduction of the working age generations. The containment of the ratio between average pension and productivity follows on, in the first part of the forecasting period, from the indexation method, which takes account only of price

dynamics, and in the second part from the gradual introduction of the contribution-based method.

- f) The analyses by sector show the predominant role of private sector dependent workers, mostly insured with the Private Employed Insurance Fund (Fondo Pensione Lavoratori Dipendenti – FPLD). The specific pension expenditure within this sector shows a movement slightly lower than that of the total expenditure in the first part of the forecasting period, and slightly higher in the second. The sector for public employees, on the other hand, shows a movement higher than the total in the first period and lower in the second part. Regarding the self-employed, the pension funds for artisans and shopkeepers shows a movement of expenditure well above that of the total pension system in the first part of the forecasting period. This is due to the results of the law 233/90, which extended a calculation method very similar to that used for the FPLD to such funds, notwithstanding the fact that the contribution rate was much lower. With the introduction of the contribution-based regime, however, the lower notional contribution rate foreseen for the self-employed in comparison with the employed (20% against 33%) will bring about a reversal of this trend.
- g) The analysis of distribution effects shows an improvement regarding the position of the pensioner vis-à-vis the active population in the first part of the forecasting period. In the second part, however, there is an evident about turn of this trend in that, beginning in 2026, the average amount of pension will increase in real terms by 0.7%, whilst the average growth of pro capita GDP will be equal to 1.4%.
- h) From an analysis of the replacement rates in the public pension system, it emerges that the significant shrinkage of the growth of the average pension in relation to pro capita GDP prevalently concerns those insurance positions characterised by continuous and rapid careers, which would have benefited from relatively higher pension returns and amounts under the earnings-related system.
- i) The decomposition of the dynamics of the ratio between health care expenditure and GDP into different explicative factors shows up the noticeable impact of the demographic component as much on the numerator (increase in health care expenditure) as on the denominator of the ratio (slowdown in the growth of GDP). However, both the growth in employment rates, which compensates in part for the drop in size of the working age population, and the hypotheses concerning the evolution of CPS, have an inverse effect. The linkage of CPS to pro capita GDP, in fact, neutralises the effects on the ratio caused by an alteration in the numbers of employed people compared to the total population.
- j) The growth of health care expenditure to GDP may be contrasted by way of the adoption of economic policies aimed at reducing the increase of CPS in a measure sufficient to compensate for the expansive effect on consumption

due to demographic ageing. This means that the public health system will have to guarantee a significant recovery of efficiency and effectiveness in order to avoid a progressive worsening of the levels of “health care well-being” that have been reached.

Tab. A: national baseline scenario - hypotheses and forecast results⁽¹⁾

		2004	2010	2020	2030	2040	2050
Demographic assumptions Istat main variant base year: 2005	Fertility rates	1,3	1,4	1,4	1,5	1,5	1,6
	Life expectancy						
	- male	77,2	78,2	79,7	81,0	82,3	83,6
	- female	83,2	84,1	85,5	86,6	87,7	88,8
	Annual net immigration ('000s)		150	150	150	150	150
	Elderly dependency ratio ⁽²⁾	28,9	31,3	36,4	44,4	57,6	62,6
Macroeconomic assumptions values in %	Participation rates [15-64]						
	- male	74,5	76,1	78,9	78,2	79,1	78,9
	- female	50,6	53,5	55,8	58,5	60,9	61,7
	- total	62,5	64,9	67,4	68,5	70,1	70,4
	Unemployment rates						
	- male	6,4	5,8	5,7	5,1	4,1	3,5
	- female	10,5	9,7	9,2	8,2	6,7	5,8
	- total	8,0	7,4	7,1	6,4	5,2	4,5
	Employment rates [15-64]						
	- male	69,7	71,6	74,3	74,1	75,8	76,0
	- female	45,2	48,3	50,6	53,7	56,8	58,0
	- total	57,4	60,0	62,6	64,0	66,4	67,2
	Employment ⁽³⁾						
	- male		0,6	0,2	-0,5	-0,8	-0,5
	- female		1,1	0,2	0,0	-0,5	-0,4
- total		0,8	0,2	-0,3	-0,7	-0,5	
Productivity ⁽³⁾		0,6	1,6	1,8	1,8	1,8	
Real GDP ⁽³⁾		1,4	1,8	1,4	1,1	1,3	
Forecast results Expenditure in % of GDP	Pensions [a]	14,2	14,4	14,3	15,0	15,4	14,1
	Health care [b]	6,5	6,7	7,1	7,6	8,0	8,3
	(LTC component) [c]	0,8	0,8	0,9	1,0	1,1	1,2
	LTC [d]	1,6	1,5	1,7	1,9	2,1	2,5
	Total [a]+[b]-[c]+[d]	21,6	21,8	22,3	23,5	24,6	23,7

(1) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(2) Population of age 65 and more over population 15-64. Values in %.

(3) Average annual percentage change in the preceding decade. The first value refers to the period 2004-2010.

Tab. B: EPC-WGA baseline scenario - hypotheses and forecast results⁽¹⁾

		2004	2010	2020	2030	2040	2050
Demographic assumptions Eurostat main variant base year: 2004	Fertility rates	1,4	1,4	1,4	1,4	1,4	1,4
	Life expectancy						
	- male	77,3	78,3	79,9	81,1	82,1	82,8
	- female	83,2	84,0	85,3	86,4	87,2	87,8
	Annual net immigration ('000s)		150	150	150	150	150
	Elderly dependency ratio⁽²⁾	28,9	31,4	36,4	44,4	57,6	62,2
Macroeconomic assumptions values in %	Participation rates [15-64]						
	- male	74,5	76,5	77,7	77,4	78,6	79,1
	- female	50,6	55,1	58,5	59,7	60,5	61,1
	- total	62,5	65,8	68,1	68,6	69,7	70,2
	Unemployment rates						
	- male	6,4	5,7	5,2	5,2	5,1	5,1
	- female	10,5	9,3	8,1	8,0	8,1	8,1
	- total	8,0	7,2	6,4	6,4	6,4	6,4
	Employment rates [15-64]						
	- male	69,7	72,1	73,6	73,3	74,5	75,0
	- female	45,2	50,0	53,7	54,8	55,6	56,1
	- total	57,4	61,0	63,7	64,2	65,2	65,7
	Employment⁽³⁾						
- male		0,6	0,0	-0,5	-0,9	-0,7	
- female		1,4	0,4	-0,4	-1,0	-0,7	
- total		0,9	0,2	-0,5	-0,9	-0,7	
Productivity⁽³⁾		0,7	1,60	1,69	1,69	1,77	
Real GDP⁽³⁾		1,6	1,8	1,2	0,8	1,1	
Forecast results Expenditure in % of GDP	Pensions [a]	14,2	14,2	14,1	15,1	15,9	14,7
	Health care [b]	6,5	6,8	7,3	7,8	8,3	8,6
	(LTC component) [c]	0,8	0,8	0,9	1,0	1,1	1,2
	LTC [d]	1,6	1,6	1,8	2,0	2,2	2,6
	Total [a]+[b]-[c]+[d]	21,6	21,8	22,3	23,9	25,3	24,6

(1) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(2) Population of age 65 and more over population 15-64. Values in %.

(3) Average annual percentage change in the preceding decade. The first value refers to the period 2004-2010.

Figure A: a comparison between 2004 and 2005 updates
Expenditure ratio to GDP⁽¹⁾

Figure A1: public pension expenditure

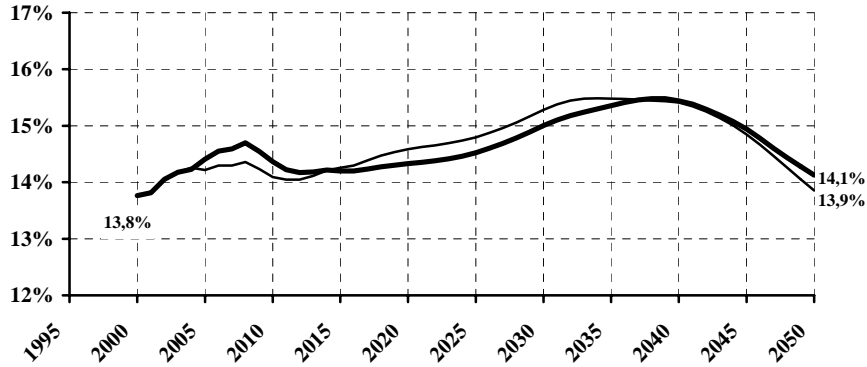


Figure A2: public health care expenditure

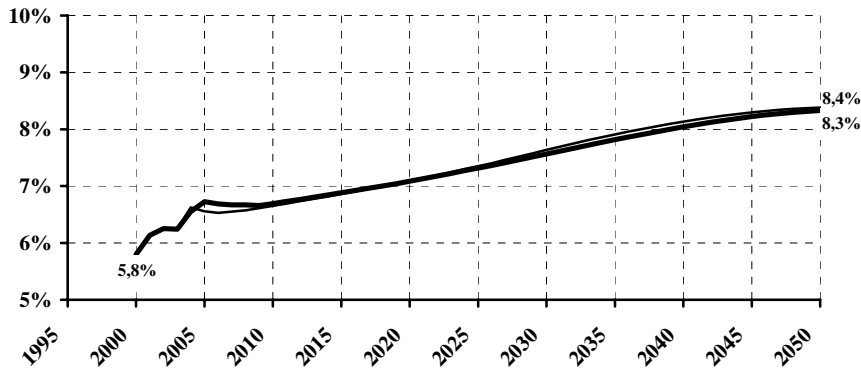
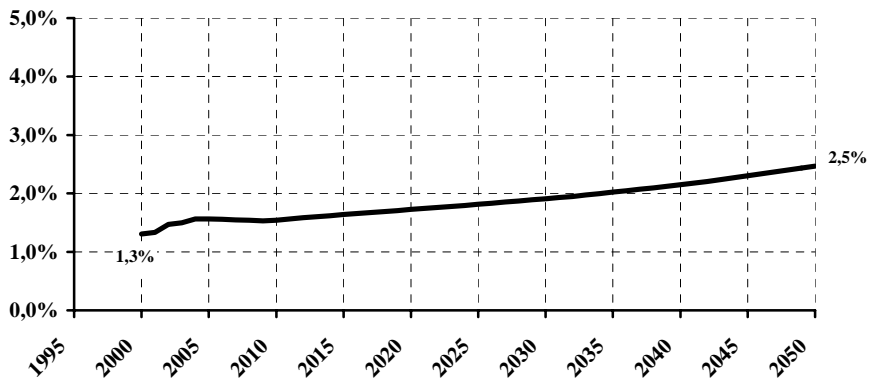


Figure A3: public long term care care expenditure



— National baseline scenario - 2005 updating
 - - - National baseline scenario - 2004 updating

(1) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

Figure B: national and EPC-WGA scenarios
Expenditure ratio to GDP⁽¹⁾

Figure B1: public pension expenditure

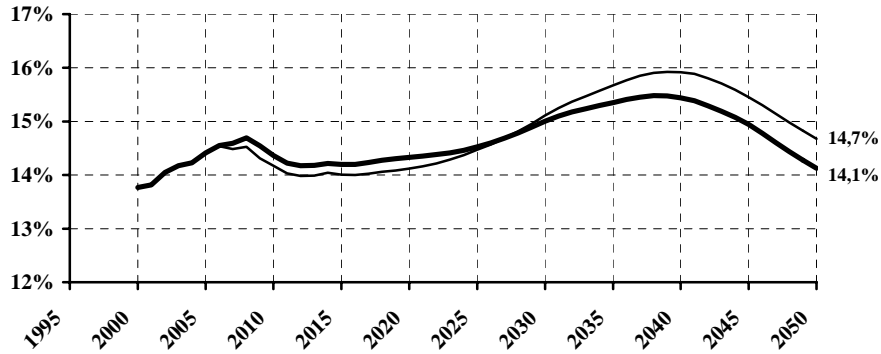


Figure B2: public health care expenditure

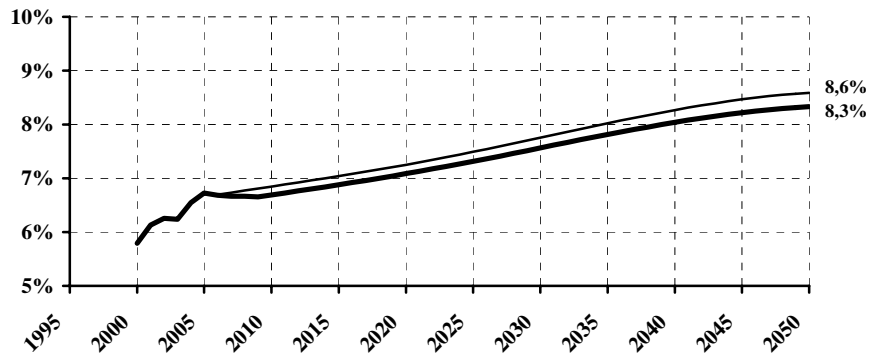
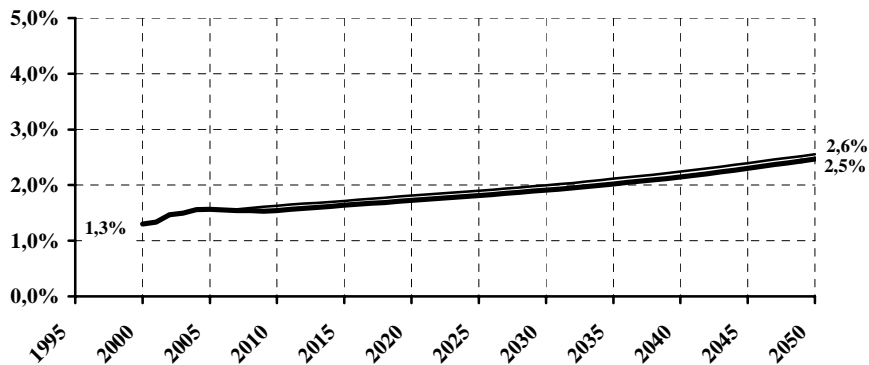


Figure B3: public long term care care expenditure



— National baseline scenario — EPC-WGA baseline scenario

(1) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

Figure C: public expenditure for pension, health care and long term care
Expenditure ratio to GDP⁽¹⁾

Figure C1: national baseline scenario

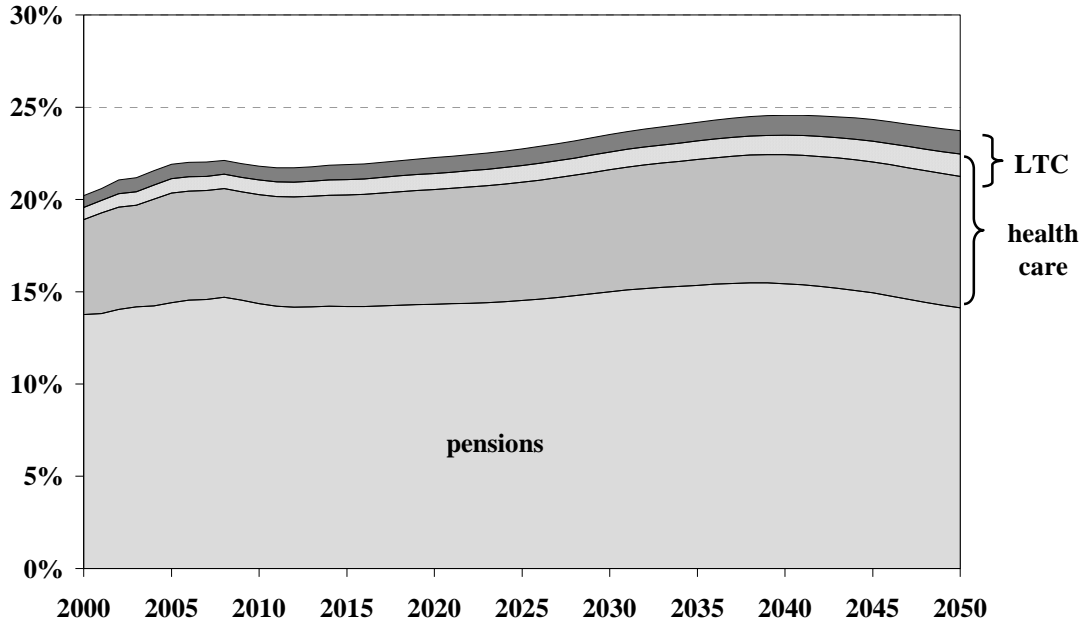
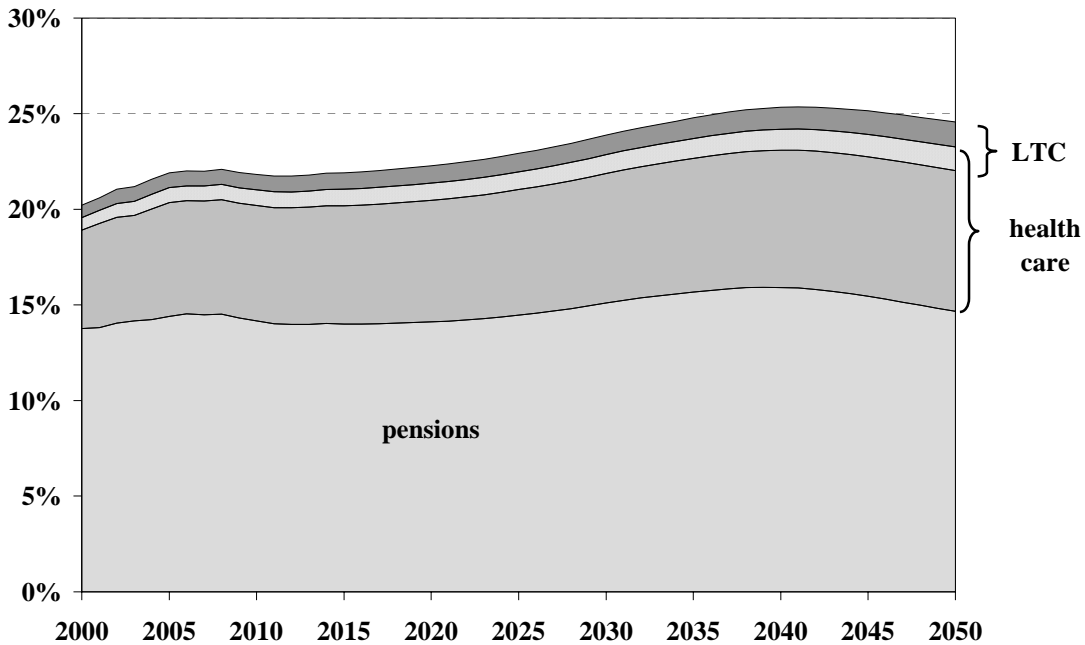


Figure C2: EPC-WGA baseline scenario



(1) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

Annex: assumptions and results of the forecasts – tables

- A1 - National baseline scenario: demographic assumption Istat main variant, base 2005.
- A2 - National baseline scenario: macroeconomic assumption.
- A3 - National baseline scenario: pension expenditure.
- A4 - National baseline scenario: health care expenditure.
- A5 - National baseline scenario: long term care expenditure.

- B1 - National programmatic scenario: demographic assumption Istat main variant, base 2005.
- B2 - National programmatic scenario: macroeconomic assumption.
- B3 - National programmatic scenario: pension expenditure.
- B4 - National programmatic scenario: health care expenditure.
- B5 - National programmatic scenario: long term care expenditure.

- C1 - EPC-WGA baseline scenario: demographic assumption Eurostat main variant, base 2004.
- C2 - EPC-WGA baseline scenario: macroeconomic assumption.
- C3 - EPC-WGA baseline scenario: pension expenditure.
- C4 - EPC-WGA baseline scenario: health care expenditure.
- C4 - EPC-WGA baseline scenario: long term care expenditure.

A1 - National baseline scenario: demographic assumptions Istat main variant, base 2005^(a)**A1.1 - Demographic parameters**

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Migratory flow (thousands)	50,7 (b)	169,5 (b)	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0
Fertility rate (children per women)	1,19 (c)	1,24 (c)	1,34	1,37	1,39	1,42	1,45	1,48	1,51	1,54	1,57	1,60
Life expectancy												
male	74,8 (d)	76,5 (d)	77,4	78,2	79,0	79,7	80,4	81,0	81,7	82,3	83,0	83,6
female	81,4 (d)	82,5 (d)	83,3	84,1	84,8	85,5	86,0	86,6	87,1	87,7	88,2	88,8

A1.2 - Population by sex and age bracket (1st of January)

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Male												
[0-14]	4.301	4.181	4.252	4.250	4.196	4.005	3.778	3.655	3.632	3.663	3.686	3.666
[15-19]	1.869	1.569	1.485	1.483	1.431	1.482	1.482	1.378	1.292	1.256	1.255	1.270
[20-54]	14.291	14.323	14.514	14.332	14.015	13.360	12.609	11.920	11.412	11.106	10.885	10.667
[55-64]	3.279	3.256	3.403	3.550	3.657	4.094	4.544	4.652	4.339	3.804	3.425	3.318
[65-79]	3.058	3.503	3.759	3.863	4.091	4.231	4.531	4.953	5.515	5.888	5.777	5.311
[65+]	3.829	4.234	4.723	5.061	5.502	5.841	6.257	6.898	7.625	8.231	8.504	8.448
[80+]	771	731	965	1.198	1.410	1.609	1.726	1.945	2.110	2.343	2.727	3.137
totale	27.569	27.563	28.377	28.675	28.801	28.782	28.669	28.503	28.301	28.060	27.754	27.370
Female												
[0-14]	4.094	3.964	4.021	4.010	3.957	3.768	3.554	3.438	3.416	3.445	3.466	3.448
[15-19]	1.800	1.499	1.406	1.401	1.345	1.400	1.390	1.293	1.211	1.177	1.176	1.190
[20-54]	14.282	14.316	14.367	14.115	13.741	13.042	12.283	11.582	11.064	10.748	10.523	10.304
[55-64]	3.561	3.505	3.623	3.754	3.830	4.223	4.616	4.676	4.345	3.800	3.406	3.284
[65-79]	4.033	4.576	4.724	4.741	4.910	5.005	5.269	5.637	6.143	6.469	6.286	5.739
[65+]	5.539	6.076	6.669	7.032	7.492	7.836	8.231	8.853	9.553	10.145	10.412	10.340
[80+]	1.506	1.500	1.945	2.291	2.582	2.830	2.962	3.216	3.409	3.677	4.126	4.601
totale	29.275	29.361	30.086	30.311	30.366	30.269	30.074	29.841	29.589	29.315	28.984	28.566
Male and Female												
[0-14]	8.395	8.145	8.273	8.260	8.153	7.773	7.333	7.092	7.048	7.107	7.152	7.114
[15-19]	3.669	3.069	2.891	2.884	2.776	2.882	2.872	2.671	2.504	2.433	2.431	2.460
[20-54]	28.573	28.639	28.880	28.446	27.756	26.403	24.891	23.502	22.476	21.853	21.409	20.971
[55-64]	6.840	6.761	7.026	7.304	7.487	8.317	9.159	9.329	8.684	7.605	6.831	6.602
[65-79]	7.091	8.079	8.483	8.604	9.002	9.236	9.800	10.590	11.659	12.357	12.063	11.050
[65+]	9.369	10.310	11.392	12.093	12.994	13.676	14.488	15.750	17.178	18.376	18.915	18.788
[80+]	2.278	2.231	2.910	3.488	3.993	4.440	4.688	5.160	5.519	6.019	6.852	7.738
totale	56.844	56.924	58.462	58.986	59.167	59.051	58.743	58.344	57.890	57.375	56.738	55.936

A1.3 - Demographic indicators

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Elderly dependency ratio (e)	26,5%	29,1%	31,7%	33,8%	36,9%	39,4%	42,5%	48,0%	55,1%	62,4%	67,0%	68,1%
Youth dependency ratio (f)	34,1%	31,7%	31,1%	31,2%	31,0%	30,7%	30,0%	29,7%	30,7%	32,4%	33,9%	34,7%
Total dependency ratio (g)	60,5%	60,8%	62,8%	65,0%	67,9%	70,1%	72,5%	77,7%	85,8%	94,8%	100,9%	102,9%
Ageing index (h)	77,7%	91,9%	102,0%	108,5%	118,9%	128,4%	142,0%	161,3%	179,8%	192,6%	197,4%	196,2%

(a) Source: Istat (2005), "Popolazione Italiana al primo gennaio per sesso ed età. Anni 2005-2051"

(b) Source: Istat, Movimento e calcolo della popolazione residente annuale

(c) Source: Istat, Tavole di fecondità regionali

(d) Source: Istat, Tavole di mortalità della popolazione italiana

(e) $pop.[65+]/pop.[20-64]$.(f) $pop.[0-19]/pop.[20-64]$.(g) $(pop.[0-19]+pop.[65+])/pop.[20-64]$.(h) $pop.[65+]/pop.[0-19]$.

A3 - National baseline scenario: pension expenditure

A3.1 - Total pension expenditure/GDP and its decomposition ^(a)

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total pension expenditure/GDP	13,4%	13,8%	14,4%	14,4%	14,2%	14,3%	14,5%	15,0%	15,4%	15,4%	14,9%	14,1%
Average pension/(GDP per worker)	15,1%	15,7%	17,1%	17,3%	16,9%	16,4%	15,6%	14,9%	14,1%	13,4%	12,7%	12,1%
Number of pensions/workers	88,5%	87,8%	84,1%	82,8%	84,0%	87,6%	92,9%	100,8%	108,6%	115,0%	117,2%	117,1%

A3.2 - Pension expenditure (2000 prices - millions €)

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total pension expenditure	138.233	160.582	177.835	192.775	209.066	229.584	251.567	277.599	300.737	319.710	329.088	333.641
Public pensions	136.280	158.305	174.844	189.530	205.121	224.626	245.279	269.540	290.864	308.609	317.934	321.947
Direct pensions	111.745	130.185	144.853	157.488	170.806	187.990	206.518	228.856	248.533	264.962	273.314	276.761
for private sector employees	70.295	79.886	88.487	94.171	100.613	110.192	123.155	141.420	159.600	175.181	182.558	184.768
for public sector employees	24.903	31.561	34.663	38.892	43.715	49.610	54.240	57.557	59.053	60.041	60.965	62.446
for self-employed	16.548	18.738	21.703	24.425	26.479	28.188	29.122	29.880	29.880	29.740	29.791	29.547
Survivors and child pensions	24.534	28.120	29.991	32.042	34.315	36.635	38.761	40.684	42.331	43.647	44.620	45.185
for private sector employees		18.353	18.738	19.672	20.895	22.211	23.486	24.816	26.199	27.585	28.892	29.980
for public sector employees		6.638	6.949	7.370	7.680	7.921	8.143	8.376	8.606	8.743	8.693	8.417
for self-employed		3.128	4.304	5.001	5.740	6.503	7.132	7.492	7.526	7.319	7.036	6.788
Old age means-tested transfers (b) (c)	1.953	2.277	2.991	3.246	3.945	4.959	6.288	8.058	9.873	11.101	11.153	11.694

A3.3 - Number of pensions (thousands)

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Number of pensions	17.723	18.510	18.993	19.454	20.093	20.963	22.025	23.341	24.356	24.942	24.722	24.229
Public pensions	17.005	17.801	18.204	18.616	19.136	19.847	20.700	21.741	22.501	22.974	22.857	22.379
Direct pensions	12.623	13.179	13.443	13.700	14.132	14.806	15.659	16.720	17.514	18.037	17.984	17.594
for private sector employees	8.016	7.844	7.713	7.699	7.956	8.480	9.259	10.289	11.186	11.796	11.823	11.523
for public sector employees	1.505	1.828	1.911	2.076	2.283	2.502	2.658	2.750	2.766	2.780	2.796	2.824
for self-employed	3.103	3.507	3.819	3.925	3.893	3.823	3.742	3.682	3.561	3.460	3.365	3.246
Survivors and child pensions	4.382	4.622	4.761	4.916	5.004	5.041	5.041	5.021	4.987	4.937	4.873	4.786
for private sector employees		3.031	3.050	3.097	3.105	3.081	3.051	3.043	3.062	3.096	3.123	3.121
for public sector employees		565	624	659	675	683	688	689	686	673	648	612
for self-employed		1.026	1.087	1.160	1.225	1.277	1.302	1.289	1.239	1.168	1.102	1.052
Old age means-tested transfers (b) (c)	718	709	789	838	957	1.115	1.325	1.600	1.855	1.967	1.865	1.850

A3.4 - Average pension (2000 prices)

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Average pension (euro)	7.800	8.675	9.363	9.909	10.405	10.952	11.422	11.893	12.348	12.818	13.312	13.770
Public pensions	8.014	8.893	9.605	10.181	10.719	11.318	11.849	12.398	12.927	13.433	13.910	14.386
Direct pensions	8.852	9.878	10.775	11.495	12.087	12.697	13.188	13.688	14.191	14.690	15.197	15.731
for private sector employees	8.770	10.184	11.473	12.232	12.646	12.994	13.301	13.745	14.268	14.851	15.441	16.034
for public sector employees	16.548	17.267	18.136	18.730	19.145	19.826	20.405	20.933	21.348	21.595	21.805	22.114
for self-employed	5.333	5.343	5.682	6.223	6.802	7.372	7.783	8.116	8.390	8.594	8.852	9.101
Survivors and child pensions	5.599	6.084	6.300	6.519	6.857	7.267	7.689	8.102	8.488	8.840	9.157	9.442
for private sector employees		6.055	6.144	6.352	6.730	7.210	7.697	8.156	8.556	8.910	9.251	9.604
for public sector employees		11.756	11.135	11.181	11.384	11.596	11.842	12.149	12.544	12.994	13.423	13.755
for self-employed		3.050	3.961	4.313	4.686	5.091	5.477	5.812	6.076	6.265	6.385	6.450
Old age means-tested transfers (b) (c)	2.722	3.211	3.791	3.874	4.124	4.446	4.746	5.035	5.322	5.643	5.982	6.322

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(b) Social pensions and old age allowances starting from 1996.

(c) Net of reimbursements of pensions (or part of their amount) unduly paid.

A4.a - National baseline scenario: health care expenditure*(CPS linked to GDP per capita and unchanged health care consumption profiles)***A4.a.1 - Health care expenditure/GDP by age bracket ^(a) - Acute and long term care**

	1995 (b)	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	3,2%	3,4%	3,8%	3,7%	3,6%	3,6%	3,6%	3,6%	3,4%	3,3%	3,1%	3,1%
[65-79]	1,4%	1,7%	2,0%	1,9%	2,0%	2,1%	2,2%	2,4%	2,7%	2,9%	2,9%	2,7%
[80+]	0,6%	0,7%	0,9%	1,1%	1,2%	1,4%	1,5%	1,6%	1,7%	1,9%	2,2%	2,5%
totale	5,2%	5,8%	6,7%	6,7%	6,9%	7,1%	7,3%	7,6%	7,8%	8,0%	8,2%	8,3%

A4.a.2 - Health care expenditure/GDP by age bracket ^(a) - Acute care

	1995 (b)	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	2,9%	3,1%	3,5%	3,4%	3,3%	3,3%	3,4%	3,3%	3,1%	3,0%	2,9%	2,9%
[65-79]	1,2%	1,6%	1,8%	1,8%	1,8%	1,9%	2,0%	2,2%	2,4%	2,6%	2,6%	2,4%
[80+]	0,5%	0,5%	0,7%	0,8%	0,9%	1,0%	1,0%	1,2%	1,3%	1,4%	1,6%	1,8%
totale	4,6%	5,1%	5,9%	5,9%	6,0%	6,2%	6,4%	6,6%	6,8%	7,0%	7,1%	7,1%

A4.a.3 - Health care expenditure/GDP by age bracket ^(a) - Long term care

	1995 (b)	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	0,2%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%
[65-79]	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,3%	0,3%	0,3%
[80+]	0,1%	0,2%	0,3%	0,3%	0,3%	0,4%	0,4%	0,4%	0,5%	0,5%	0,6%	0,7%
totale	0,6%	0,6%	0,8%	0,8%	0,8%	0,9%	0,9%	1,0%	1,0%	1,1%	1,1%	1,2%

*(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.**(b) The**values of 1995 have been calculated distributing by age bracket, sex and macro-level (acute and long term care) the total health care expenditure in 1995, on the basis of the corresponding expenditure profiles estimated for the year 1999.***A4.b - National baseline scenario: health care expenditure under different hypotheses****A4.b.1 - Health care expenditure/GDP ^(a) - Acute e long term care**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
CPS linked to GDP per worker										
health care consumption profiles unchanged	6,7%	6,6%	6,7%	6,9%	7,2%	7,5%	8,0%	8,4%	8,7%	8,9%
- of which acute care	5,9%	5,9%	5,9%	6,1%	6,3%	6,6%	6,9%	7,3%	7,5%	7,6%
health care consumption profiles changing	6,7%	6,6%	6,6%	6,8%	7,0%	7,3%	7,6%	8,0%	8,2%	8,3%
- of which acute care	5,9%	5,8%	5,9%	6,0%	6,1%	6,4%	6,7%	7,0%	7,2%	7,3%
CPS linked to GDP per capita										
health care consumption profiles changing	6,7%	6,7%	6,8%	6,9%	7,1%	7,3%	7,5%	7,6%	7,8%	7,8%
- of which acute care	5,9%	5,9%	6,0%	6,1%	6,3%	6,4%	6,6%	6,7%	6,8%	6,8%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

A5 - National baseline scenario: spesa pubblica per LTC*(CPS linked to GDP per capita and unchanged health care consumptions profiles)***A.5.1 - LTC expenditure/GDP ^(a)**

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Spesa LTC/PIL	1,3%	1,6%	1,5%	1,6%	1,7%	1,8%	1,9%	2,0%	2,1%	2,3%	2,5%
- health care component	0,6%	0,8%	0,8%	0,8%	0,9%	0,9%	1,0%	1,0%	1,1%	1,1%	1,2%
- accompanying allowance (indennità accompagnamento)	0,5%	0,6%	0,6%	0,6%	0,7%	0,7%	0,7%	0,8%	0,8%	0,9%	1,0%
- other LTC provisions	0,1%	0,1%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,3%	0,3%

A.5.2 - LTC expenditure - distribution by typology of component

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Health care component	50%	50%	51%	51%	51%	50%	50%	49%	49%	49%	49%
Accompanying allowance (indennità accompagnamento)	40%	41%	39%	39%	39%	39%	39%	39%	39%	39%	40%
Other LTC provisions	11%	9%	10%	11%	11%	11%	11%	11%	11%	11%	12%

A.5.3 - LTC expenditure by age bracket and typology of component

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total expenditure											
[0-64]		33%	32%	30%	28%	26%	24%	22%	20%	18%	16%
[65-79]		25%	23%	22%	21%	22%	22%	23%	23%	22%	20%
[80+]		42%	45%	48%	51%	52%	54%	55%	57%	60%	64%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Health care component											
[0-64]		41%	40%	37%	35%	33%	30%	28%	25%	23%	21%
[65-79]		24%	23%	22%	22%	23%	23%	24%	25%	24%	21%
[80+]		35%	38%	41%	44%	45%	47%	48%	50%	54%	58%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Accompanying allowance (indennità accompagnamento)											
[0-64]		25%	27%	24%	23%	21%	20%	17%	15%	14%	12%
[65-79]		26%	22%	21%	20%	20%	20%	21%	22%	20%	18%
[80+]		49%	51%	55%	57%	58%	60%	62%	63%	66%	70%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Other LTC provisions											
[0-64]		20%	18%	16%	15%	15%	13%	12%	10%	9%	8%
[65-79]		27%	25%	24%	23%	23%	23%	24%	24%	22%	20%
[80+]		53%	57%	60%	62%	62%	64%	65%	66%	69%	72%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

B1 - National programmatic scenario: demographic assumptions Istat main variant, base 2005^(a)**B1.1 - Demographic parameters**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Migratory flow (thousands)	150,00	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0
Fertility rate (children per women)	1,34	1,37	1,39	1,42	1,45	1,48	1,51	1,54	1,57	1,60
Life expectancy										
male	77,4	78,2	79,0	79,7	80,4	81,0	81,7	82,3	83,0	83,6
female	83,3	84,1	84,8	85,5	86,0	86,6	87,1	87,7	88,2	88,8

B1.2 - Population by sex and age bracket (1st of January - thousands)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Male										
[0-14]	4.252	4.250	4.196	4.005	3.778	3.655	3.632	3.663	3.686	3.666
[15-19]	1.485	1.483	1.431	1.482	1.482	1.378	1.292	1.256	1.255	1.270
[20-54]	14.514	14.332	14.015	13.360	12.609	11.920	11.412	11.106	10.885	10.667
[55-64]	3.403	3.550	3.657	4.094	4.544	4.652	4.339	3.804	3.425	3.318
[65-79]	3.759	3.863	4.091	4.231	4.531	4.953	5.515	5.888	5.777	5.311
[65+]	4.723	5.061	5.502	5.841	6.257	6.898	7.625	8.231	8.504	8.448
[80+]	965	1.198	1.410	1.609	1.726	1.945	2.110	2.343	2.727	3.137
totale	28.377	28.675	28.801	28.782	28.669	28.503	28.301	28.060	27.754	27.370
Female										
[0-14]	4.021	4.010	3.957	3.768	3.554	3.438	3.416	3.445	3.466	3.448
[15-19]	1.406	1.401	1.345	1.400	1.390	1.293	1.211	1.177	1.176	1.190
[20-54]	14.367	14.115	13.741	13.042	12.283	11.582	11.064	10.748	10.523	10.304
[55-64]	3.623	3.754	3.830	4.223	4.616	4.676	4.345	3.800	3.406	3.284
[65-79]	4.724	4.741	4.910	5.005	5.269	5.637	6.143	6.469	6.286	5.739
[65+]	6.669	7.032	7.492	7.836	8.231	8.853	9.553	10.145	10.412	10.340
[80+]	1.945	2.291	2.582	2.830	2.962	3.216	3.409	3.677	4.126	4.601
totale	30.086	30.311	30.366	30.269	30.074	29.841	29.589	29.315	28.984	28.566
Male and Female										
[0-14]	8.273	8.260	8.153	7.773	7.333	7.092	7.048	7.107	7.152	7.114
[15-19]	2.891	2.884	2.776	2.882	2.872	2.671	2.504	2.433	2.431	2.460
[20-54]	28.880	28.446	27.756	26.403	24.891	23.502	22.476	21.853	21.409	20.971
[55-64]	7.026	7.304	7.487	8.317	9.159	9.329	8.684	7.605	6.831	6.602
[65-79]	8.483	8.604	9.002	9.236	9.800	10.590	11.659	12.357	12.063	11.050
[65+]	11.392	12.093	12.994	13.676	14.488	15.750	17.178	18.376	18.915	18.788
[80+]	2.910	3.488	3.993	4.440	4.688	5.160	5.519	6.019	6.852	7.738
totale	58.462	58.986	59.167	59.051	58.743	58.344	57.890	57.375	56.738	55.936

B1.3 - Demographic indicators

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Elderly dependency ratio (b)	31,7%	33,8%	36,9%	39,4%	42,5%	48,0%	55,1%	62,4%	67,0%	68,1%
Youth dependency ratio (c)	31,1%	31,2%	31,0%	30,7%	30,0%	29,7%	30,7%	32,4%	33,9%	34,7%
Total dependency ratio (d)	62,8%	65,0%	67,9%	70,1%	72,5%	77,7%	85,8%	94,8%	100,9%	102,9%
Ageing index (e)	102,0%	108,5%	118,9%	128,4%	142,0%	161,3%	179,8%	192,6%	197,4%	196,2%

(a) Source: Istat (2005), "Popolazione Italiana al primo gennaio per sesso ed età. Anni 2005-2051"

(b) $pop.[65+]/pop.[20-64]$.

(c) $pop.[0-19]/pop.[20-64]$.

(d) $(pop.[0-19]+pop.[65+])/pop.[20-64]$.

(e) $pop.[65+]/pop.[0-19]$.

B2 - National programmatic scenario: macroeconomic assumptions**B2.1 - Employment, labour productivity and GDP ^(a)**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Participation rate (b)	41,9%	43,0%	43,6%	43,6%	43,4%	42,4%	41,1%	39,9%	39,0%	38,7%
Unemployment rate	7,7%	7,3%	7,1%	7,0%	6,8%	6,3%	5,7%	5,2%	4,8%	4,5%
Labour force (thousands)	24.487	25.367	25.774	25.775	25.479	24.751	23.808	22.875	22.149	21.658
Employment (thousands)	22.590	23.525	23.956	23.971	23.744	23.187	22.443	21.692	21.094	20.683
Employment rate (c)	58,3%	60,9%	63,1%	63,9%	64,5%	65,7%	67,1%	68,4%	69,0%	69,1%
GDP in real terms (billions € 2000)	1.209,0	1.316,7	1.444,5	1.572,4	1.699,6	1.815,0	1.921,1	2.030,6	2.159,3	2.315,3
GDP in nominal terms (billions €)	1.384,0	1.671,7	2.024,8	2.433,4	2.904,1	3.424,1	4.001,5	4.669,7	5.482,6	6.490,4
real GDP per capita (€ 2000) (d)	20.680	22.322	24.414	26.628	28.933	31.109	33.186	35.391	38.057	41.392
real GDP per worker (€ 2000)	53.518	55.971	60.299	65.595	71.581	78.277	85.600	93.607	102.364	111.940
nominal GDP per capita (€) (d)	23.673	28.340	34.222	41.209	49.437	58.688	69.123	81.389	96.629	116.033
nominal GDP per worker (€)	61.264	71.060	84.522	101.517	122.310	147.673	178.295	215.267	259.907	313.802
GDP deflator	114,5	127,0	140,2	154,8	170,9	188,7	208,3	230,0	253,9	280,3
CPI deflator (e)	112,1	124,1	137,0	151,2	167,0	184,4	203,5	224,7	248,1	273,9

B2.2 - Participation rates by sex and age bracket

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Male										
[15-24]	37,6%	36,8%	37,8%	37,1%	37,6%	38,5%	38,4%	37,9%	37,6%	37,5%
[25-64]	80,7%	83,3%	86,0%	86,6%	86,4%	85,8%	86,2%	86,9%	87,4%	87,2%
[15-64]	73,8%	76,1%	78,6%	78,9%	78,5%	78,2%	78,6%	79,1%	79,2%	78,8%
Female										
[15-24]	30,5%	30,4%	31,1%	30,6%	31,2%	31,8%	31,6%	31,3%	31,0%	30,9%
[25-64]	54,6%	57,5%	59,1%	60,2%	61,6%	63,4%	64,8%	66,3%	67,2%	67,7%
[15-64]	50,9%	53,5%	55,0%	55,8%	56,9%	58,5%	59,7%	60,9%	61,4%	61,7%
Male and Female										
[15-24]	34,1%	33,7%	34,5%	33,9%	34,5%	35,2%	35,1%	34,7%	34,4%	34,3%
[25-64]	67,6%	70,4%	72,6%	73,5%	74,1%	74,7%	75,6%	76,7%	77,4%	77,6%
[15-64]	62,3%	64,9%	66,9%	67,4%	67,8%	68,5%	69,3%	70,1%	70,5%	70,4%

B2.3 - Employment rates by age bracket

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[15-24]	26,2%	25,7%	26,5%	25,9%	26,6%	27,8%	28,4%	28,7%	28,9%	29,1%
[25-64]	63,3%	66,2%	68,4%	69,3%	70,0%	70,9%	72,1%	73,5%	74,4%	74,7%
[15-64]	57,5%	60,1%	62,1%	62,7%	63,1%	64,1%	65,3%	66,4%	67,0%	67,2%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(b) Labour force/total population.

(c) Employment levels/pop [15-64].

(d) Population registered at the 1st of January.

(e) Consumer Price Index for the family of employed (white and blue collar) without tobacco.

B3 - National programmatic scenario: pension expenditure**B3.1 - Total pension expenditure/GDP and its decomposition ^(a)**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total pension expenditure/GDP	14,4%	14,3%	14,1%	14,3%	14,5%	15,0%	15,3%	15,4%	14,9%	14,1%
Average pension/(GDP per worker)	17,1%	17,3%	16,9%	16,3%	15,6%	14,9%	14,1%	13,4%	12,7%	12,0%
Number of pensions/workers	84,1%	82,7%	83,9%	87,5%	92,8%	100,7%	108,5%	115,0%	117,2%	117,2%

B3.2 - Pension expenditure (2000 prices - millions €)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total pension expenditure	177.835	192.775	209.092	229.656	251.713	277.838	301.061	320.099	329.511	334.047
Public pensions	174.844	189.530	205.147	224.697	245.426	269.784	291.204	309.027	318.397	322.401
Direct pensions	144.853	157.487	170.829	188.055	206.654	229.085	248.853	265.354	273.743	277.176
for private sector employees	88.487	94.171	100.628	110.233	123.242	141.566	159.802	175.423	182.834	185.053
for public sector employees	34.663	38.891	43.719	49.627	54.277	57.619	59.144	60.158	61.083	62.541
for self-employed	21.703	24.425	26.482	28.195	29.135	29.900	29.907	29.772	29.826	29.582
Survivors and child pensions	29.991	32.043	34.318	36.642	38.771	40.699	42.351	43.673	44.654	45.225
for private sector employees	18.738	19.672	20.897	22.216	23.493	24.825	26.212	27.602	28.913	30.006
for public sector employees	6.949	7.370	7.680	7.922	8.145	8.379	8.610	8.750	8.701	8.427
for self-employed	4.304	5.001	5.741	6.504	7.134	7.494	7.529	7.322	7.040	6.792
Old age means-tested transfers (b) (c)	2.991	3.245	3.945	4.959	6.288	8.055	9.857	11.072	11.113	11.646

B3.3 - Number of pensions (thousands)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Number of pensions	18.993	19.454	20.093	20.963	22.027	23.345	24.362	24.950	24.731	24.240
Public pensions	18.204	18.616	19.136	19.848	20.702	21.746	22.509	22.987	22.872	22.396
Direct pensions	13.443	13.700	14.132	14.807	15.660	16.724	17.521	18.048	17.998	17.609
for private sector employees	7.713	7.699	7.956	8.481	9.260	10.291	11.190	11.802	11.831	11.533
for public sector employees	1.911	2.076	2.283	2.502	2.659	2.751	2.769	2.784	2.799	2.827
for self-employed	3.819	3.925	3.893	3.824	3.742	3.682	3.563	3.462	3.368	3.249
Survivors and child pensions	4.761	4.916	5.004	5.041	5.041	5.022	4.988	4.938	4.874	4.788
for private sector employees	3.050	3.097	3.105	3.081	3.051	3.043	3.063	3.097	3.124	3.123
for public sector employees	624	659	675	683	688	690	686	673	648	612
for self-employed	1.087	1.160	1.225	1.277	1.302	1.289	1.239	1.168	1.102	1.053
Old age means-tested transfers (b) (c)	789	838	957	1.115	1.325	1.600	1.853	1.963	1.859	1.844

B3.4 - Average pension (2000 prices)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Average pension (euro)	9.363	9.909	10.406	10.955	11.428	11.901	12.358	12.830	13.324	13.781
Public pensions	9.605	10.181	10.720	11.321	11.855	12.406	12.937	13.444	13.921	14.395
Direct pensions	10.775	11.495	12.088	12.701	13.196	13.698	14.203	14.702	15.209	15.741
for private sector employees	11.473	12.232	12.648	12.998	13.309	13.756	14.281	14.864	15.454	16.045
for public sector employees	18.136	18.730	19.146	19.832	20.416	20.946	21.362	21.609	21.820	22.126
for self-employed	5.682	6.223	6.803	7.374	7.786	8.120	8.395	8.599	8.857	9.106
Survivors and child pensions	6.300	6.519	6.858	7.268	7.691	8.105	8.491	8.844	9.162	9.446
for private sector employees	6.144	6.352	6.731	7.211	7.699	8.158	8.559	8.913	9.255	9.609
for public sector employees	11.135	11.181	11.384	11.597	11.844	12.152	12.548	13.000	13.431	13.765
for self-employed	3.961	4.313	4.687	5.092	5.478	5.814	6.077	6.266	6.387	6.452
Old age means-tested transfers (b) (c)	3.791	3.873	4.124	4.445	4.746	5.035	5.320	5.640	5.978	6.317

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(b) Social pensions and old age allowances starting from 1996.

(c) Net of reimbursements of pensions (or part of their amount) unduly paid.

B4.a - National programmatic scenario: health care expenditure*(CPS linked to GDP per capita and unchanged health care consumption profiles)***B4.a.1 - Health care expenditure/GDP by age bracket ^(a) - Acute and long term care**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	3,8%	3,7%	3,6%	3,6%	3,6%	3,6%	3,4%	3,2%	3,1%	3,1%
[65-79]	2,0%	1,9%	2,0%	2,1%	2,2%	2,4%	2,7%	2,9%	2,9%	2,7%
[80+]	0,9%	1,1%	1,2%	1,4%	1,4%	1,6%	1,7%	1,9%	2,2%	2,5%
totale	6,7%	6,7%	6,9%	7,1%	7,3%	7,5%	7,8%	8,0%	8,2%	8,3%

B4.a.2 - Health care expenditure/GDP by age bracket ^(a) - Acute care

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	3,5%	3,4%	3,3%	3,3%	3,3%	3,3%	3,1%	3,0%	2,9%	2,9%
[65-79]	1,8%	1,7%	1,8%	1,9%	2,0%	2,2%	2,4%	2,6%	2,6%	2,4%
[80+]	0,7%	0,8%	0,9%	1,0%	1,0%	1,2%	1,2%	1,4%	1,6%	1,8%
totale	5,9%	5,9%	6,0%	6,2%	6,4%	6,6%	6,8%	7,0%	7,1%	7,1%

B4.a.3 - Health care expenditure/GDP by age bracket ^(a) - Long term care

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%
[65-79]	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,3%	0,3%	0,3%
[80+]	0,3%	0,3%	0,3%	0,4%	0,4%	0,4%	0,5%	0,5%	0,6%	0,7%
totale	0,8%	0,8%	0,8%	0,9%	0,9%	0,9%	1,0%	1,1%	1,1%	1,2%

*(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.***B4.b - National programmatic scenario: health care expenditure under different hypotheses****B4.b.1 - Health care expenditure/GDP ^(a) - Acute e long term care**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
CPS linked to GDP per worker										
health care consumption profiles unchanged	6,7%	6,6%	6,7%	6,9%	7,1%	7,5%	7,9%	8,4%	8,7%	8,9%
- of which acute care	5,9%	5,8%	5,9%	6,0%	6,2%	6,6%	6,9%	7,3%	7,5%	7,6%
health care consumption profiles changing	6,7%	6,6%	6,6%	6,7%	6,9%	7,2%	7,6%	8,0%	8,2%	8,3%
- of which acute care	5,9%	5,8%	5,8%	5,9%	6,1%	6,4%	6,7%	7,0%	7,2%	7,3%
CPS linked to GDP per capita										
health care consumption profiles changing	6,7%	6,7%	6,8%	6,9%	7,1%	7,3%	7,5%	7,6%	7,7%	7,8%
- of which acute care	5,9%	5,9%	6,0%	6,1%	6,2%	6,4%	6,6%	6,7%	6,8%	6,8%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

B5 - National programmatic scenario: spesa pubblica per LTC*(CPS linked to GDP per capita and unchanged health care consumptions profiles)***B.5.1 - LTC expenditure/GDP ^(a)**

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Spesa LTC/PIL	1,3%	1,6%	1,5%	1,6%	1,7%	1,8%	1,9%	2,0%	2,1%	2,3%	2,4%
- health care component	0,6%	0,8%	0,8%	0,8%	0,9%	0,9%	0,9%	1,0%	1,0%	1,1%	1,2%
- accompanying allowance (indennità accompagnamento)	0,5%	0,6%	0,6%	0,6%	0,7%	0,7%	0,7%	0,8%	0,8%	0,9%	1,0%
- other LTC provisions	0,1%	0,1%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,3%	0,3%

B.5.2 - LTC expenditure - distribution by typology of component

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Health care component	50%	50%	51%	51%	50%	50%	50%	49%	49%	49%	48%
Accompanying allowance (indennità accompagnamento)	40%	41%	39%	39%	39%	39%	39%	40%	40%	40%	40%
Other LTC provisions	11%	9%	10%	11%	11%	11%	11%	11%	11%	12%	12%

B.5.3 - LTC expenditure by age bracket and typology of component

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total expenditure											
[0-64]		33%	32%	30%	28%	26%	24%	22%	20%	18%	16%
[65-79]		25%	23%	22%	21%	22%	22%	23%	23%	22%	20%
[80+]		42%	45%	48%	51%	52%	54%	55%	57%	60%	64%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Health care component											
[0-64]		41%	40%	37%	35%	33%	30%	28%	25%	23%	21%
[65-79]		24%	23%	22%	22%	23%	23%	24%	25%	24%	21%
[80+]		35%	38%	41%	44%	45%	47%	48%	50%	54%	58%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Accompanying allowance (indennità accompagnamento)											
[0-64]		25%	27%	24%	23%	21%	20%	17%	15%	14%	12%
[65-79]		26%	22%	21%	20%	20%	20%	21%	22%	20%	18%
[80+]		49%	51%	55%	57%	58%	60%	62%	63%	66%	70%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Other LTC provisions											
[0-64]		20%	18%	16%	15%	15%	13%	12%	10%	9%	8%
[65-79]		27%	25%	24%	23%	23%	23%	24%	24%	22%	20%
[80+]		53%	57%	60%	62%	62%	64%	65%	66%	69%	72%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

C1 - EPC-WGA baseline scenario: demographic assumptions Eurostat main variant, base 2004^(a)**C1.1 - Demographic parameters**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Migratory flow (thousands)	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0
Fertility rate (children per women)	1,38	1,40	1,41	1,41	1,41	1,41	1,41	1,41	1,41	1,41
Life expectancy										
male	77,5	78,3	79,1	79,9	80,5	81,1	81,6	82,1	82,4	82,8
female	83,3	84,0	84,7	85,3	85,9	86,4	86,8	87,2	87,5	87,8

C1.2 - Population by sex and age bracket (1st of January - thousands)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Male										
[0-14]	4.221	4.191	4.118	3.903	3.655	3.484	3.402	3.355	3.289	3.181
[15-19]	1.477	1.478	1.422	1.467	1.449	1.350	1.254	1.201	1.180	1.172
[20-54]	14.349	14.170	13.864	13.225	12.495	11.813	11.314	10.990	10.720	10.429
[55-64]	3.388	3.536	3.638	4.064	4.499	4.598	4.284	3.763	3.409	3.315
[65-79]	3.744	3.872	4.127	4.288	4.600	5.030	5.591	5.956	5.825	5.345
[65+]	4.703	5.039	5.483	5.825	6.244	6.888	7.599	8.170	8.381	8.239
[80+]	958	1.167	1.356	1.536	1.644	1.858	2.008	2.214	2.556	2.894
totale	28.138	28.413	28.525	28.484	28.343	28.134	27.853	27.480	26.979	26.336
Female										
[0-14]	3.993	3.956	3.882	3.672	3.437	3.277	3.199	3.155	3.093	2.990
[15-19]	1.400	1.396	1.338	1.384	1.359	1.265	1.174	1.125	1.104	1.097
[20-54]	14.231	13.985	13.625	12.940	12.191	11.484	10.956	10.615	10.344	10.056
[55-64]	3.608	3.730	3.799	4.184	4.570	4.628	4.305	3.772	3.389	3.273
[65-79]	4.712	4.741	4.915	5.012	5.275	5.644	6.150	6.476	6.295	5.749
[65+]	6.637	6.983	7.419	7.731	8.104	8.710	9.385	9.940	10.156	10.010
[80+]	1.925	2.241	2.504	2.719	2.829	3.066	3.235	3.464	3.862	4.260
totale	29.870	30.050	30.063	29.911	29.661	29.363	29.019	28.607	28.086	27.425
Male and Female										
[0-14]	8.214	8.147	8.000	7.575	7.092	6.761	6.600	6.510	6.382	6.171
[15-19]	2.877	2.874	2.760	2.852	2.808	2.615	2.428	2.326	2.284	2.268
[20-54]	28.580	28.155	27.489	26.165	24.686	23.297	22.271	21.605	21.064	20.485
[55-64]	6.997	7.266	7.437	8.248	9.069	9.226	8.589	7.535	6.798	6.588
[65-79]	8.457	8.613	9.042	9.300	9.875	10.674	11.741	12.433	12.119	11.095
[65+]	11.340	12.021	12.902	13.555	14.349	15.598	16.984	18.110	18.537	18.249
[80+]	2.883	3.408	3.860	4.255	4.473	4.924	5.242	5.677	6.417	7.154
totale	58.008	58.463	58.589	58.395	58.004	57.497	56.872	56.086	55.065	53.762

C1.3 - Demographic indicators

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Elderly dependency ratio (b)	31,9%	33,9%	36,9%	39,4%	42,5%	48,0%	55,0%	62,1%	66,5%	67,4%
Youth dependency ratio (c)	31,2%	31,1%	30,8%	30,3%	29,3%	28,8%	29,3%	30,3%	31,1%	31,2%
Total dependency ratio (d)	63,0%	65,1%	67,7%	69,7%	71,8%	76,8%	84,3%	92,5%	97,6%	98,6%
Ageing index (e)	102,2%	109,1%	119,9%	130,0%	144,9%	166,4%	188,1%	205,0%	213,9%	216,2%

(a) Source: Eurostat, main variant "Ad hoc AWG", base year 2004, in Economic Policy Committee and European Commission (2005).

(b) $pop.[65+]/pop.[20-64]$.

(c) $pop.[0-19]/pop.[20-64]$.

(d) $(pop.[0-19]+pop.[65+])/pop.[20-64]$.

(e) $pop.[65+]/pop.[0-19]$.

C2 - EPC-WGA baseline scenario: macroeconomic assumptions**C2.1 - Employment, labour productivity and GDP ^(a)**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Participation rate (b)	42,1%	43,6%	43,9%	44,1%	43,6%	42,8%	41,4%	40,0%	39,2%	39,1%
Unemployment rate	8,1%	7,2%	6,4%	6,4%	6,4%	6,4%	6,4%	6,4%	6,4%	6,4%
Labour force (thousands)	24.448	25.473	25.718	25.739	25.261	24.587	23.532	22.443	21.601	21.000
Employment (thousands)	22.463	23.637	24.063	24.084	23.640	23.015	22.031	21.014	20.222	19.657
Employment rate (c)	58,4%	61,7%	63,8%	64,6%	64,7%	65,5%	66,2%	66,8%	67,1%	67,0%
GDP in real terms (billions € 2000)	1.209,0	1.330,1	1.458,9	1.588,7	1.698,7	1.795,5	1.867,7	1.938,5	2.036,6	2.160,4
GDP in nominal terms (billions €)	1.384,0	1.681,1	2.035,8	2.447,6	2.889,4	3.372,0	3.872,7	4.438,0	5.147,8	6.028,9
real GDP per capita (€ 2000) (d)	20.842	22.751	24.900	27.205	29.285	31.227	32.840	34.563	36.986	40.184
real GDP per worker (€ 2000)	53.822	56.273	60.629	65.963	71.854	78.013	84.775	92.251	100.713	109.904
nominal GDP per capita (€) (d)	23.858	28.755	34.747	41.914	49.815	58.646	68.095	79.127	93.486	112.142
nominal GDP per worker (€)	61.612	71.122	84.603	101.627	122.226	146.513	175.784	211.194	254.564	306.708
GDP deflator	114,5	126,4	139,5	154,1	170,1	187,8	207,4	228,9	252,8	279,1
CPI deflator (e)	112,1	123,8	136,7	150,9	166,6	184,0	203,1	224,3	247,6	273,4

C2.2 - Participation rates by sex and age bracket

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Male										
[15-24]	40,6%	40,7%	41,1%	40,3%	40,8%	41,6%	41,7%	41,3%	41,0%	40,9%
[25-64]	80,7%	83,1%	84,2%	84,6%	84,1%	84,2%	84,8%	85,6%	86,3%	86,4%
[15-64]	74,2%	76,5%	77,5%	77,7%	77,2%	77,4%	78,0%	78,6%	79,1%	79,1%
Female										
[15-24]	32,9%	33,0%	33,3%	32,6%	33,2%	33,7%	33,7%	33,4%	33,2%	33,1%
[25-64]	55,0%	59,0%	61,3%	63,0%	63,4%	64,4%	64,8%	65,3%	66,0%	66,2%
[15-64]	51,6%	55,1%	57,2%	58,5%	58,7%	59,7%	60,1%	60,5%	61,0%	61,1%
Male and Female										
[15-24]	36,8%	37,0%	37,3%	36,5%	37,1%	37,8%	37,8%	37,5%	37,2%	37,1%
[25-64]	67,8%	71,0%	72,8%	73,8%	73,8%	74,4%	74,9%	75,6%	76,3%	76,5%
[15-64]	62,9%	65,8%	67,4%	68,1%	68,0%	68,6%	69,2%	69,7%	70,2%	70,2%

C2.3 - Employment rates by age bracket

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[15-24]	27,0%	27,6%	28,7%	27,8%	28,7%	29,2%	29,1%	28,7%	28,4%	28,4%
[25-64]	63,5%	67,1%	69,1%	70,2%	70,1%	70,7%	71,2%	71,8%	72,5%	72,7%
[15-64]	57,7%	61,0%	63,0%	63,7%	63,6%	64,2%	64,7%	65,2%	65,6%	65,7%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(b) Labour force/total population.

(c) Employment levels/pop [15-64].

(d) Population registered at the 1st of January.

(e) Consumer Price Index for the family of employed (white and blue collar) without tobacco.

C3 - EPC-WGA baseline scenario: pension expenditure**C3.1 - Total pension expenditure/GDP and its decomposition ^(a)**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total pension expenditure/GDP	14,4%	14,2%	14,0%	14,1%	14,5%	15,1%	15,7%	15,9%	15,5%	14,7%
Average pension/(GDP per worker)	17,0%	17,4%	17,0%	16,5%	15,8%	15,1%	14,4%	13,7%	12,9%	12,2%
Number of pensions/workers	84,6%	81,7%	82,6%	85,8%	91,7%	100,0%	108,8%	116,5%	119,8%	120,3%

C3.2 - Pension expenditure (2000 prices - millions €)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total pension expenditure	177.835	192.418	208.576	228.977	250.967	276.938	298.841	315.024	321.294	323.604
Public pensions	174.844	188.954	204.317	223.591	244.175	268.328	288.821	304.153	310.543	312.992
Direct pensions	144.903	157.229	170.570	187.878	206.733	229.420	248.732	263.215	269.007	271.010
for private sector employees	88.521	94.048	100.430	110.003	123.078	141.277	158.468	171.566	176.287	177.473
for public sector employees	34.670	38.819	43.590	49.537	54.348	58.064	60.020	61.368	62.301	63.434
for self-employed	21.712	24.362	26.550	28.337	29.307	30.079	30.243	30.281	30.418	30.103
Survivors and child pensions	29.941	31.725	33.747	35.714	37.442	38.908	40.089	40.938	41.536	41.982
for private sector employees	18.704	19.494	20.567	21.656	22.662	23.679	24.725	25.720	26.667	27.597
for public sector employees	6.942	7.321	7.559	7.706	7.834	7.987	8.192	8.344	8.290	8.002
for self-employed	4.294	4.911	5.621	6.352	6.946	7.242	7.172	6.875	6.579	6.383
Old age means-tested transfers (b) (c)	2.991	3.463	4.259	5.385	6.792	8.610	10.020	10.870	10.751	10.612

C3.3 - Number of pensions (thousands)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Number of pensions	18.993	19.300	19.871	20.667	21.687	23.005	23.971	24.476	24.224	23.644
Public pensions	18.204	18.469	18.911	19.546	20.356	21.406	22.191	22.623	22.477	22.003
Direct pensions	13.443	13.612	14.008	14.654	15.507	16.621	17.478	17.988	17.914	17.504
for private sector employees	7.713	7.651	7.871	8.363	9.128	10.163	11.029	11.532	11.473	11.151
for public sector employees	1.911	2.059	2.265	2.487	2.653	2.779	2.842	2.902	2.947	2.978
for self-employed	3.819	3.902	3.872	3.804	3.727	3.678	3.607	3.554	3.495	3.375
Survivors and child pensions	4.761	4.856	4.903	4.892	4.849	4.786	4.713	4.635	4.563	4.499
for private sector employees	3.050	3.061	3.038	2.978	2.914	2.874	2.869	2.881	2.895	2.896
for public sector employees	624	651	661	663	662	660	657	646	621	588
for self-employed	1.087	1.144	1.204	1.251	1.273	1.252	1.187	1.108	1.048	1.015
Old age means-tested transfers (b) (c)	789	831	960	1.121	1.331	1.598	1.780	1.853	1.747	1.640

C3.4 - Average pension (2000 prices)

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Average pension (euro)	9.363	9.970	10.497	11.079	11.572	12.038	12.467	12.871	13.263	13.687
Public pensions	9.605	10.231	10.804	11.439	11.995	12.535	13.015	13.445	13.816	14.225
Direct pensions	10.779	11.550	12.177	12.821	13.331	13.803	14.231	14.633	15.016	15.482
for private sector employees	11.477	12.292	12.759	13.154	13.484	13.901	14.368	14.877	15.365	15.916
for public sector employees	18.139	18.854	19.243	19.918	20.488	20.891	21.117	21.148	21.143	21.299
for self-employed	5.685	6.243	6.858	7.449	7.864	8.177	8.386	8.520	8.704	8.919
Survivors and child pensions	6.289	6.533	6.883	7.300	7.722	8.130	8.506	8.833	9.102	9.332
for private sector employees	6.133	6.369	6.769	7.271	7.777	8.239	8.619	8.926	9.213	9.530
for public sector employees	11.124	11.239	11.436	11.626	11.835	12.100	12.468	12.923	13.349	13.614
for self-employed	3.952	4.292	4.670	5.077	5.458	5.787	6.040	6.207	6.280	6.287
Old age means-tested transfers (b) (c)	3.791	4.169	4.437	4.806	5.103	5.387	5.630	5.865	6.155	6.469

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

(b) Social pensions and old age allowances starting from 1996.

(c) Net of reimbursements of pensions (or part of their amount) unduly paid.

C4.a - EPC-WGA baseline scenario: health care expenditure*(CPS linked to GDP per capita and unchanged health care consumption profiles)***C4.a.1 - Health care expenditure/GDP^(a) - Acute and long term care**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	3,8%	3,7%	3,7%	3,7%	3,7%	3,6%	3,5%	3,3%	3,2%	3,2%
[65-79]	2,0%	2,0%	2,1%	2,2%	2,3%	2,5%	2,8%	3,0%	3,1%	2,9%
[80+]	0,9%	1,1%	1,2%	1,4%	1,5%	1,6%	1,7%	1,9%	2,2%	2,5%
totale	6,7%	6,8%	7,0%	7,3%	7,5%	7,8%	8,0%	8,3%	8,5%	8,6%

C4.a.2 - Health care expenditure/GDP by age bracket^(a) - Acute care

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	3,5%	3,4%	3,4%	3,4%	3,4%	3,3%	3,2%	3,0%	2,9%	2,9%
[65-79]	1,8%	1,8%	1,9%	2,0%	2,1%	2,3%	2,5%	2,8%	2,8%	2,6%
[80+]	0,7%	0,8%	0,9%	1,0%	1,0%	1,2%	1,2%	1,4%	1,6%	1,8%
totale	5,9%	6,0%	6,2%	6,4%	6,6%	6,8%	7,0%	7,2%	7,3%	7,4%

C4.a.3 - Health care expenditure/GDP by age bracket^(a) - Long term care

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
[0-64]	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%
[65-79]	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,3%	0,3%	0,3%	0,3%
[80+]	0,3%	0,3%	0,4%	0,4%	0,4%	0,5%	0,5%	0,5%	0,6%	0,7%
totale	0,8%	0,8%	0,9%	0,9%	0,9%	1,0%	1,0%	1,1%	1,2%	1,2%

*(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.***C4.b - EPC-WGA baseline scenario: health care expenditure under different hypothesis****C4.b.1 - Health care expenditure/GDP^(a) - Acute e long term care**

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
CPS linked to GDP per worker										
health care consumption profiles unchanged	6,7%	6,6%	6,7%	6,8%	7,1%	7,5%	8,0%	8,6%	8,9%	9,1%
- of which acute care	5,9%	5,8%	5,8%	6,0%	6,2%	6,6%	7,0%	7,4%	7,7%	7,8%
health care consumption profiles changing	6,7%	6,6%	6,6%	6,7%	6,9%	7,3%	7,7%	8,2%	8,5%	8,7%
- of which acute care	5,9%	5,8%	5,8%	5,9%	6,1%	6,4%	6,8%	7,2%	7,4%	7,5%
CPS linked to GDP per capita										
health care consumption profiles changing	6,7%	6,8%	7,0%	7,1%	7,3%	7,5%	7,7%	7,9%	8,1%	8,2%
- of which acute care	5,9%	6,0%	6,1%	6,3%	6,4%	6,6%	6,8%	6,9%	7,0%	7,1%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.

C5 - EPC-WGA baseline scenario: spesa pubblica per LTC*(CPS linked to GDP per capita and unchanged health care consumptions profiles)***C.5.1 - LTC expenditure/GDP ^(a)**

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Spesa LTC/PIL	1,3%	1,6%	1,6%	1,7%	1,8%	1,9%	2,0%	2,1%	2,2%	2,4%	2,6%
- health care component	0,6%	0,8%	0,8%	0,9%	0,9%	0,9%	1,0%	1,0%	1,1%	1,2%	1,2%
- accompanying allowance (indennità accompagnamento)	0,5%	0,6%	0,7%	0,7%	0,7%	0,8%	0,8%	0,9%	0,9%	1,0%	1,0%
- other LTC provisions	0,1%	0,1%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,3%	0,3%

C.5.2 - LTC expenditure - distribution by typology of component

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Health care component	50%	50%	50%	50%	50%	49%	49%	49%	49%	49%	49%
Accompanying allowance (indennità accompagnamento)	40%	41%	40%	40%	40%	41%	40%	41%	41%	40%	40%
Other LTC provisions	11%	9%	10%	10%	10%	10%	10%	10%	11%	11%	11%

C.5.3 - LTC expenditure by age bracket and typology of component

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Total expenditure											
[0-64]		33%	31%	29%	27%	26%	23%	21%	19%	17%	16%
[65-79]		25%	24%	23%	22%	23%	23%	24%	25%	24%	21%
[80+]		42%	46%	48%	51%	52%	54%	55%	56%	59%	63%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Health care component											
[0-64]		41%	39%	36%	34%	32%	30%	27%	25%	23%	21%
[65-79]		24%	23%	23%	23%	24%	24%	25%	26%	25%	22%
[80+]		35%	38%	41%	43%	44%	46%	47%	49%	52%	56%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Accompanying allowance (indennità accompagnamento)											
[0-64]		25%	24%	23%	21%	20%	18%	16%	14%	13%	12%
[65-79]		26%	23%	22%	21%	22%	22%	23%	23%	22%	19%
[80+]		49%	52%	55%	58%	58%	60%	61%	62%	65%	69%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Other LTC provisions											
[0-64]		20%	18%	17%	16%	15%	13%	12%	11%	9%	9%
[65-79]		27%	25%	24%	23%	24%	24%	25%	25%	24%	21%
[80+]		53%	57%	59%	61%	61%	63%	63%	64%	67%	71%
totale		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(a) The revision of GDP time series, communicated by Istat the 22nd of December 2005, is not taken into account.