

# EDITORIAL

# ADMINISTRATION

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## APE SOCIAL – STALLED AT THE STARTING BLOCKS: STILL WAITING FOR THE APPLICATION DECREE

*The APE social, provided by the 2017 Budget Law, was expected to debut in early May, but is still at the starting line pending the issuance of the DPCM that must define the interpretive guidelines as well as the operating requirements, which will be followed by the issuance of the appropriate circular by INPS.*

The Legislator of the Jobs Act was right in perceiving that it would be very difficult to try to stem the burning issue arising from the effect of the inappropriate lengthening of the retirement age “combined” with the reduction of access to social shock absorbers. The driver could have been – in whole or in part – the APE, cleverly identified as an external employment subsidy, not relating to the excess of welfarism denigrated by Europe.

The APE is – for now – no longer an intention (the implementing decrees are still missing), a facilitation – or a “slide” as they say in the industry – useful to the numerous workers affected by the financial crisis of companies

and who are currently waiting to learn about their fate.

In fact, on the one hand 2017 saw a definitive disappearance of the mobility allowance from the panorama of social shock absorbers which, let's not forget, was often used by companies in crisis to “accompany” older workers to retirement and therefore facilitate the indispensable generational change within the labour market, while on the other hand, the reform of social shock absorbers has set new and more stringent regulations for using the related allowances (CIGS and wage integrates in general).

Therefore, as part of the new panorama and in a sector, such as labour, where the Government and Social Parties feel that the major economic repercussions on workers must meet the needs of sustainability of the pension system, the solution (shared?) was a selective and experimental action (until 2018) with which a welfare subsidy will accompany to retirement (only) some categories of workers who deserve special protection provided that

- they have reached the age of 63 with at least 30 years of contributions paid
- pay in conditions of difficulty identified based on specific protection profiles.

The APE seems to be a “restyling” of one or more instruments already existing in Italian law, “dressed up” by a sort of new social shock absorber. Completely at the expense of the State, it is designed for categories of

people who are in situations of hardship, such as those who have been unemployed for at least three months, workers with a disability rate of at least 74%, workers who care for people with severe disabilities or who have worked in certain industries with special processes.

The individuals identified above will be able to obtain - from the date of entry that will be announced as soon as the DPCM is published - an assistance allowance until the time they are actually entitled to the old-age pension (i.e. until they reach the age of 66 and 7 months or higher determined based on future adjustments to life expectancy) paid directly by INPS for 12 months per year, the value of which will be equal to the amount of the monthly rate of the pension calculated at the time of access to the actual allowance. In any case, the subsidy cannot exceed the maximum monthly amount of EUR 1,500 gross, and cannot be revalued annually.

For example, a worker who falls into one of the aforementioned protection profiles and is entitled to a pension allowance of EUR 2,100 gross, with a net pension of EUR 1,600 will be able to collect EUR 1,500 per month with the APE social; while a worker with a pension of EUR 1,200 will be able to collect the entire gross amount accrued. In both cases, no deductions will be made to the worker's final pension. In the first case, however, the worker will be able



### FEATURES

#### INTERESTED SUBJECTS:

*The unemployed, disabled and caregivers, employed in arduous work*

#### AGE REQUIREMENTS:

**63 YEARS**

#### CONTRIBUTION REQUIREMENTS:

**30 YEARS** of contributions which become 36 for heavy jobs

#### MAXIMUM DURATION:

**3 YEARS AND 7 MONTHS**

to fund the surplus of EUR 600 using the voluntary APE, accepting in this case a penalty on the pension. The subsidy awarded will be taxed as employment income.

However, five months after the Budget Law that defined its institution, the APE social is having trouble becoming a measure that can be implemented concretely, due to the continuous postponements of the implementing decree and the requests coming from multiple parties who are calling for a widening of the recipients.

In reality, the current executive faces a situation very similar to the one so-called “esodati” (income-derived early retirees) had to face after the Fornero Reform, i.e. the risk of having made incorrect evaluations and/or evaluations not consistent with the real needs of those who have difficulty leaving or re-entering the job world (in the case of unemployed people over the age of 55). While, for the esodati, it “only” involved finding the liquidity available to allow them to access the pension, the APE social involves

making longer-term projections based on a well-defined and proceduralised system that must (and will) have to deal with the INPS funds, on which even the Legislator itself obviously has some doubts.

To this is added the fact that the delays will also have administrative implications, for example, the deadline for submitting the applications has been postponed to 15 July (originally 30 June), taking into account that the APE should have officially started on 1 May.

The cautious behaviour of our Legislator also extends to the provision that establishes a monitoring of the applications submitted and accepted (given to INPS), with the stipulation that if the aforesaid monitoring shows the occurrence of deviations, even prospectively, in the number of applications compared to the allocated financial resources, the granting of the allowances will be subjected to a priority criteria, based on the accrual of the requirements and, this being equal, based on the date of submission of the application,

in order to guarantee a number of accesses to the allowance not exceeding those that the resources allocated will be able to guarantee.