



Italy reduces early retirement scheme threshold

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Companies in Italy with 100 or more employees now qualify for an expansion contract that allows eligible employees to take early retirement up until 30 Nov 2021. The reduced workforce threshold — down from 250 — aims to address some of the labor market issues arising from COVID-19.

Eligible employees must be within 60 months of reaching their normal social security retirement age of 67, or have a minimum contribution period (no fewer than 42 years and 10 months for men, and 41 years and 10 months for women). The scheme requires employers to pay retirees a bridging pension calculated on the amount of their accrued INPS (social security) pension until the start of the normal or early INPS pension; employees also receive an INPS unemployment benefit for the first 18 months. Employers must continue to pay pension contributions to the INPS for employees who are on the early retirement bridging scheme.

Employers must consult with employee or union representatives and the ministry of labor and social policies to develop an expansion contract. The contract must include arrangements for payment of the bridging pension and reduced working time arrangements, define the company's hiring plans, and include training programs for employees ineligible for early retirement.

Related resource

- [Decree-Law No. 73](#) (Italian) (Official Gazette, 25 May 2021)

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