



Italy

Preserving individual debtor’s human dignity in distress

You are invited to fill in the tables below as follow:

- Incomes are monthly
- Figures are the latest available data from official sources. If necessary, indicate the year in brackets
- The amounts are in national currency

See below the data for France and Belgium by way of illustration

1. Monthly income

Adults	Single person	With 2 dependent children
Minimum wage for a full-time employee (if it exists): Italy is one of the few European countries with no minimum wage by law. However, the Italian parliament is currently discussing a proposal of law aimed at introducing a minimum wage of 9 euros for full-time employees. Some critics are related to the fact that 9 euros is too much for a minimum wage, given the rise of low-paid and precarious job in the aftermath of the crises so that, according to ISTAT information, nowadays there is a 20% of private sector employees that earn less than 9 euros.	Gross : Net :	

Additional information on monthly income:

Around half of the employees in Italy are covered by a collective bargaining agreement, where wages are set

Median income per capita The latest information available: based on EU-Silc 2016 Italian Survey (ISTAT). Median income: 2,044 euros per month Mean income: 2,500 euros per month		
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Additional information on monthly income:

In 2018, a minimum income scheme (Reddito di inclusione or Rel) was introduced as a nationwide anti-poverty measure, provided for by Legislative Decree 147/2017; according to INPS data, some 462,000 households (1.3 million people) benefited from this scheme. The average monthly amount received was €296 (€309 in the South and Islands). As of April 2019, the Rel was replaced by a new minimum income scheme (Reddito di cittadinanza or RdC; Law 26/2019). The RdC – which for households consisting entirely of individuals of at least 67 years of age is known as the minimum pension scheme (Pensione di cittadinanza) – is a guaranteed minimum income which supplements any other income up to a certain threshold. The greater generosity of the RdC compared with the Rel – in terms both of unit amounts, especially for people living alone, and of the range of potential recipients – will entail a significant increase in spending and in the limiting of poverty (see the box ‘An analysis of the redistributive effects of recent anti-poverty measures). The RdC requires all members of the recipient household aged between 18 and 64 to follow a programme for employment integration or for social inclusion.

The RdC provides for a more generous individual benefit than the Rel and includes an additional contribution for rent or mortgage expenses for the primary residence. For a one-person household where the individual lives in a rented property and has no other income, the amount paid is €780 per month against the €188 of the Rel. This theoretical maximum benefit is close to the relative poverty threshold estimated by Eurostat for 2016, a high level by international standards (the ratio of the benefit expected from similar measures to the abovementioned threshold is 63 per cent in Spain, 50 per cent in France and 39 per cent in Germany). In addition, according to the Bank of Italy’s Survey on Household Income and Wealth (SHIW), the maximum benefit is equal to 58 per cent of the median labour income for one-person households. The consequent effects of disincentives to work can only be mitigated by the planned upgrading of job centres (Source: Bank of Italy Annual Report, 2019).

Poverty threshold <u>The latest information available 2018:</u> <u>Bank of Italy annual relation.</u> The threshold is equal to 780 euros per month		
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Additional information on poverty:

In 2018, over 1.8 million households in absolute poverty (with an incidence of 7.0%) were estimated, for a total of 5 million individuals (incidence of 8.4%).

The intensity of poverty, that is how much poor households’ monthly expenditure is on average below the poverty line in percentage terms, or “how poor the poor are “, reached 19.4% in 2018 (it was 20.4% in 2017), from a minimum of 18.0% in the Center to a maximum of 20.8% in the South. The rate of households in absolute poverty was considerably higher in the Southern area (9.6% in the South and 10.8% in the Islands) compared to other areas (6.1% in the North-west and 5.3% in both the North-east and the Centre).

The incidence of individuals in absolute poverty was 11.1% in the South, 12.0% in the Islands, while in the North and the Centre it went down to 6.9% and 6.6%, respectively (7.2% in the North-west, and 6.5% in the North-east).

Compared to 2017, the incidence values remained stable when comparing different types of household municipality of residence at the national level. In the North, the metropolitan centre municipalities showed higher incidence of poverty (7.0%) than metropolitan suburb municipalities, municipalities with over 50,000 inhabitants (5.4%) and the remaining smaller municipalities (5.7%). In the Centre, on the other hand, the metropolitan centre municipalities recorded the lowest incidence (3.5% of poor households against 5.6% of the metropolitan suburb ones, and municipalities with over 50,000 inhabitants, and 6.4% of smaller municipalities). The comparison by municipal typology confirmed the disadvantage of the South and Islands: the incidence of households in absolute poverty in the metropolitan centre municipalities was 13.6%, and reached 15.7% in the South alone.

Source: ISTAT (Italian Statistics Institute)

2. Garnishment of funds in bank accounts

This concerns the seizure of funds directly from the bank account of the debtor, as a result of a court ruling or equivalent procedure.

Unseizable funds	€ 1.374 (single person)	
Unseizable_income	Description	Designation
Partly seizable income		
Income that can be fully seized		

Additional information:

The amount of unseizable funds is equal to the amount above a certain threshold. The threshold is obtained by multiplying by three the value of the Social Security Check, which depends on the size of the family and other few drivers. In 2019, the Social Security Check is equal to 457,99 euros per month. Three times the SSC is equal to 1.373,97. Therefore, all the amounts above 1.373,97 are seizable.

After the notification of the court ruling, all the amounts that are credited on the bank account are seizable no more than 20% of the amount.

3. Seizures on wages and from third parties

This concerns seizures made directly by the debtor's employer from their employee's wages, following a court ruling or equivalent procedure. The same type of seizure may be made with other third parties.

Unseizable amount	X (single person)			
Seizable amounts (single person)	Income range	Monthly income	Percentage portion that can be seized	Maximum amount that can be seized per month
	1			
	2			
	3			
	4			
	5			
	6			
	7			

Additional information:

The salary is seizable up to 20% of the amount.

4. Additional rules for the protection of debtors

As part of an amicable debt mediation procedure or of a personal bankruptcy procedure, some additional protection rules exist in some countries, such as:

- The freezing of the recovery costs and default interest;
- The freezing of recovery procedures (made by registered mail or through a bailiff);
- The possibility for the debt advisor or the judge to lower or increase the protected amounts;
- The possibility of choosing other methods or calculation rules to determine the remaining income.

If similar rules exist in your country, it would be very useful to describe them.

Do you accept we include your name, or the name of your organisation, in the list of respondents that will be included in the final report?	YES	NO
	X	
Personal name	Daniela Vandone	
Name of the organisation	Università degli Studi di Milano	