



Social Protection Reform Project
中国-欧盟社会保护改革项目

ISEE in details

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The Italian Indicator of “Equivalent Economic Situation” (ISEE)

ISEE in details

- ✓ *Calculation factors*
- ✓ *ISEE request and calculation flows*
- ✓ *ISEE information and controls system*
- ✓ *ISEE Certification*
- ✓ *Next steps*

Annexes

ISEE in details

Calculation factors

ISEE is calculated by **INPS** taking into account **different factors**, in order to determine a **comprehensive indicator** of the **actual household condition**:

INCOMES OF EVERY HOUSEHOLD MEMBER AND DEDUCTIONS APPLICABLE

- ✓ **Incomes** from working and not working activities, including **welfare allowances** (not related to disabilities)
- ✓ **Deductions**: house rent, etc.



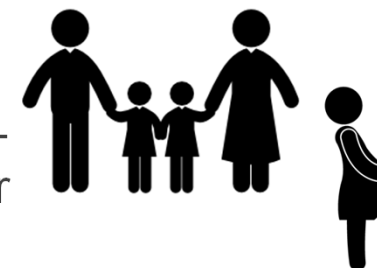
ASSETS OF EVERY HOUSEHOLD MEMBER AND DEDUCTION APPLICABLE

- ✓ **Properties**: Houses, lands, etc.
- ✓ **Financial assets**: cash deposits, stocks, bonds, etc.
- ✓ **Deductions**: decrease of the household house value, etc.



HOUSEHOLD CHARACTERISTICS

- ✓ **Number of people**
- ✓ **Presence of minors or disabled people**
- ✓ **Family peculiarities**: large family, single-parent family, presence of children under age of 3, presence etc.



ISEE in details

Calculation factors – ISEE formula

The **ISEE** is equal to ratio between the **Economic Situation Indicator (ISE)** of the household and the **Equivalence Scale Parameter** calculated with reference to the specific household composition

$$\text{ISEE} = \frac{\text{ISE}}{N} = \frac{\text{ISR} + (20\% \times \text{ISP})}{N}$$

ISR

Household Income Indicator is the difference between the summation of the incomes of every household member and the deductions applicable

ISP

Household Asset Indicator is the difference between the summation of the assets of every household member and the deductions applicable

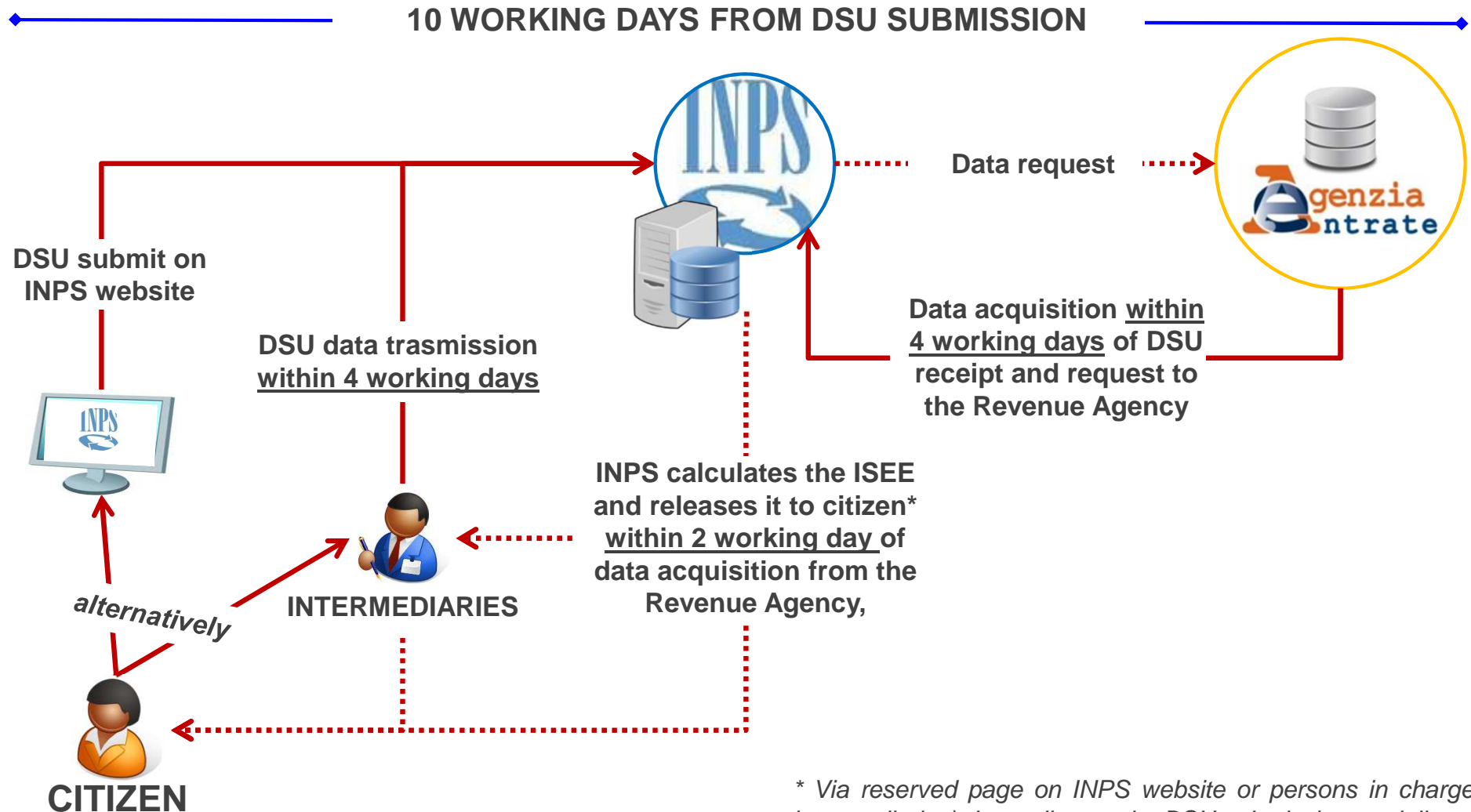
N

Household Equivalence Scale is given by law through a specific table that takes into account the possible different household characteristics

ISEE in details

ISEE request and calculation flow

The following picture shows the complete **work flow for the ISEE calculation release by INPS in ordinary way**; INPS must release the ISEE calculation to applicant citizens within 10 working days from the request

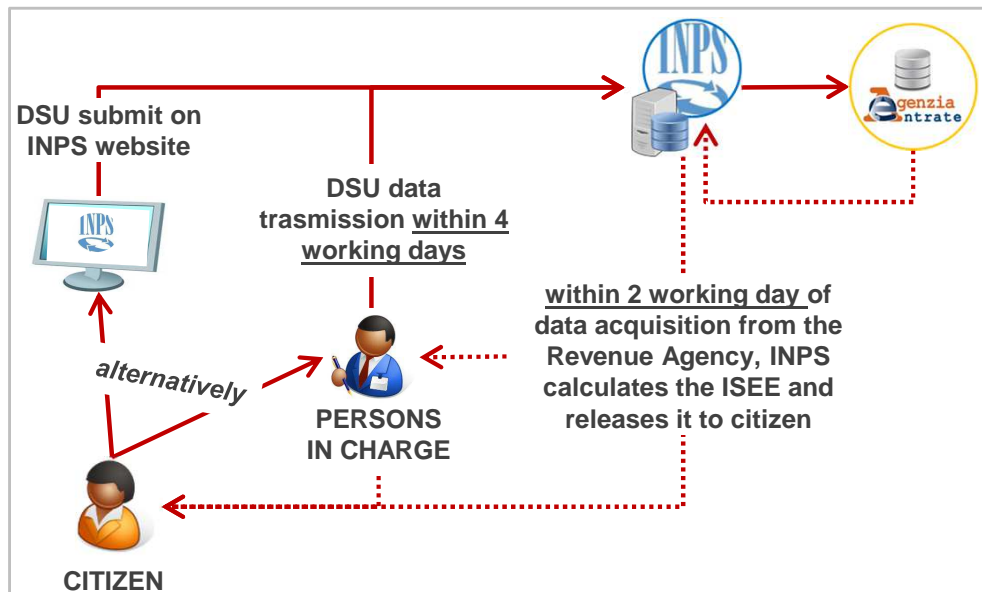


* Via reserved page on INPS website or persons in charge (the intermediaries) depending on the DSU submission modality

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ISEE release with amendments

The figure below shows the **two scenarios** that might occur after the ISEE Certification release if the citizen reveals mistakes on data of the ISEE Certification and **what the citizen can do**



**MISTAKES ON
SELF-CERTIFIED
DATA**

The citizen may transmit corrections submitting a new **DSU**. The new **DSU**, with amended data, cancels the previous one and, through the same work-flow, the citizen **will receive the new rectified ISEE Certification**

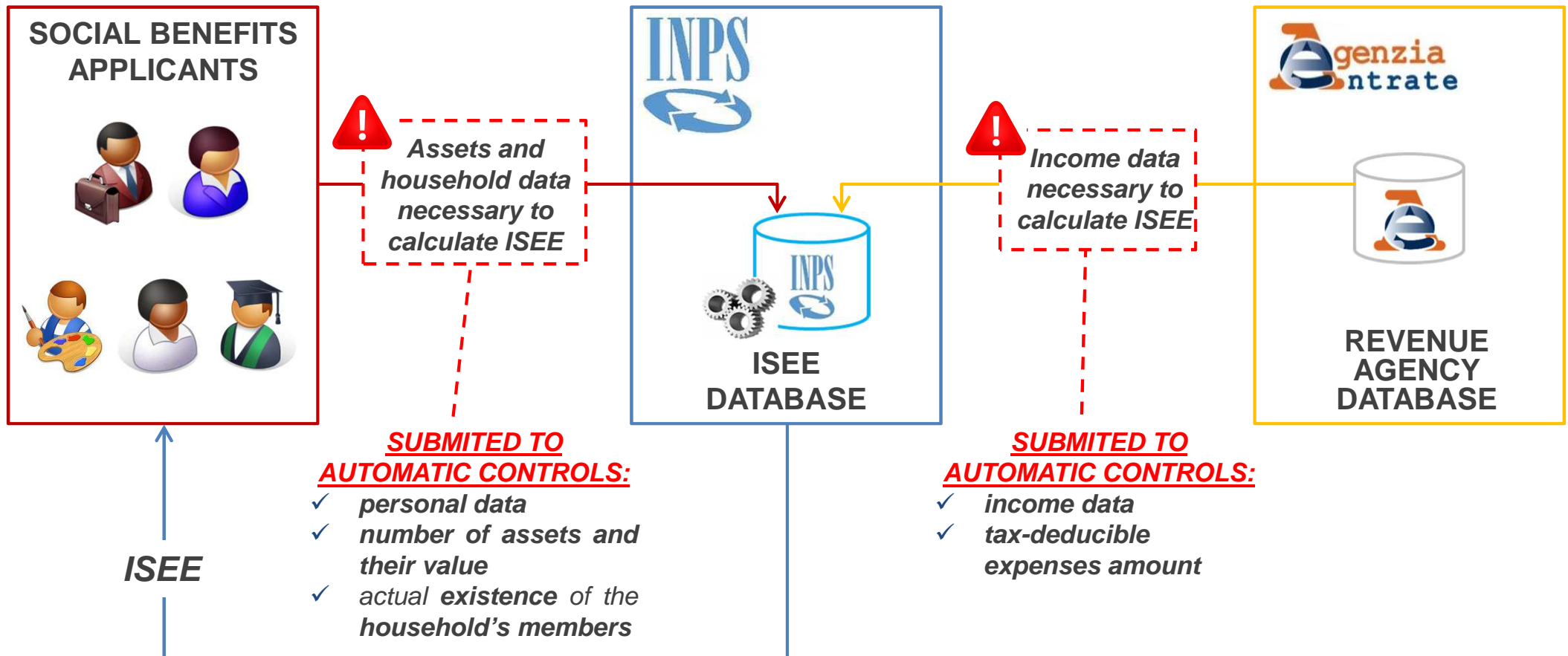
**MISTAKES ON
NOT SELF-
CERTIFIED DATA**

The citizen may challenge the **data acquired by INPS and Revenue Agency**, and may self-certifies them. The citizen **will receive a new ISEE Certification with evidence of the amended data**

ISEE in details

ISEE information and controls system

All the **information flows** needed to provide INPS the necessary data to calculate ISEE are **totally digitalized** and **no paper forms are used**.



Several controls are carried out in order to identify frauds attempts and to use only real information to calculate the indicators

Since this year, INPS has released a brand-new application that enables citizens and Social benefits providers (e.g. Universities, Municipalities, etc.) to **simulate the ISEE value**, using only self-certified data and without submitting the DSU. The **simulated-ISEE value is calculated instantaneously**

MAIN BENEFITS OF THE ISEE SIMULATOR

Citizens



- ✓ Evaluate in advance the household condition and the chance to gain access to social benefits and services
- ✓ Become familiar with the online ISEE procedure

Social benefits and services providers



- ✓ Support budget and expenditure forecasting, by facilitating the definition of ISEE threshold or ranges for benefits/services
- ✓ Align the social benefits and services granted with the specific target beneficiaries' characteristics, (e.g. household composition, incomes, assets owned, etc.)

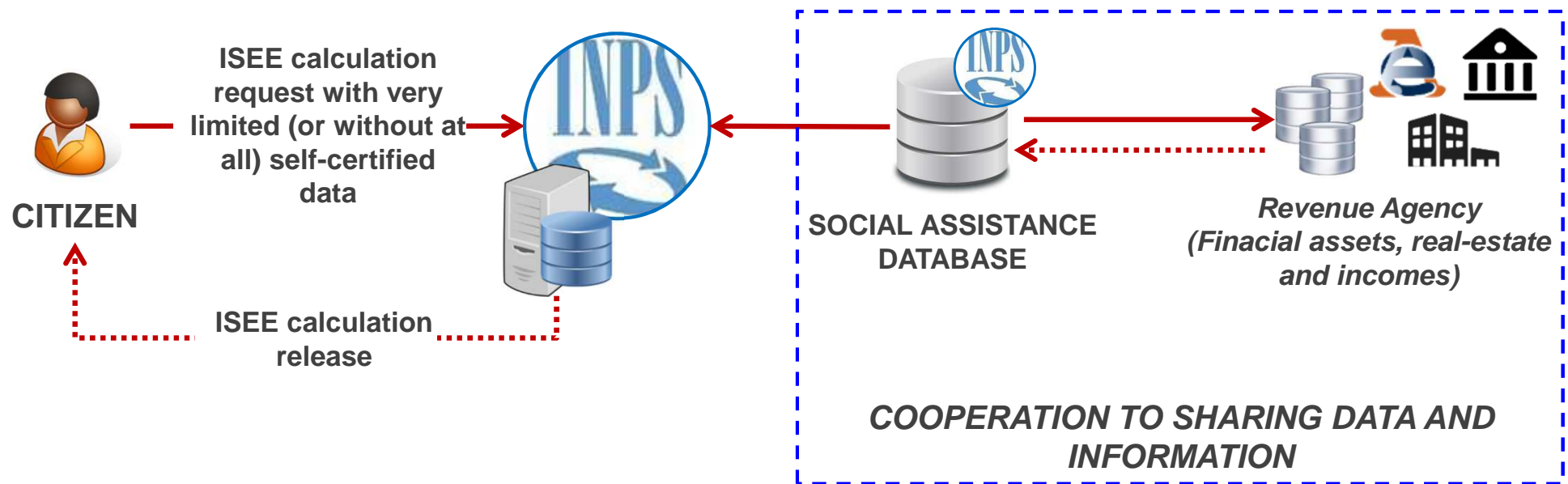
ISEE in details

Future steps

At the moment, **INPS** and Revenue Agency are defining a new **ISEE framework**, based on the automatization of the ISEE calculation and release flow.

From the 2nd semester of **2018**, the extensive set of data and information owned by **INPS** and Revenue Agency, will allow citizens to apply for ISEE calculation with a further sensible reduction of data to be filled in the DSU

FUTURE ISEE FLOW



ISEE in details

Example

- ✓ **Rossi family** is made up by **5 people**: the applicant, his spouse, his disabled father and two sons:



Depending on the **social benefits** they **apply to** (and consequently the different beneficiary), **different ISEE** are needed:

General social benefits
(e.g. electricity facilitations)

*Health benefits for
disables*

*University taxes
facilitations*

ORDINARY
OR STANDARD
ISEE

18.657,53 €

ISEE FOR
HEALTH CARE
FOR DISABLE

9.666,67 €

ISEE FOR STUDENT WITH
PARENTS NOT
MARRIED AND NOT
LIVING TOGETHER

41.275 €

The same household may have different ISEE depending on the social benefits or services they are applying to

Annexes

Annex 1

Source of data (1/2)

Data source for ISEE calculation is defined by law and can be divided into two main clusters:

SELF-CERTIFIED DATA BY APPLICANTS THROUGH DSU

- ✓ **Household composition** (number of people, presence of minors) **and family peculiarities** (e.g. single-parent family, presence of people with disabilities, etc.)
- ✓ **Properties** (Houses, lands, etc.) and **Financial assets** (e.g. cash deposits, stocks, bonds, etc.)
- ✓ **Expenses** related to the whole household (**house rent**)



Reference
Period

- ✓ Household composition and peculiarities: **DSU transmission date**
- ✓ Properties and house rent amount (if applicable): **1st solar-year preceding the DSU transmission date**

DATA AUTOMATICALLY GATHERED FROM REVENUE AGENCY AND INPS DATA BASES

- ✓ **Incomes** from working and not working activities
- ✓ **welfare allowances eligible for ISEE calculation**
- ✓ **Health expenses**



Reference
Period

- ✓ **2nd solar year preceding the DSU transmission date**

Annex 1

Source of data (2/2)

In Italy, every year, **workers, retired and welfare allowance beneficiaries** must fill the **Tax Income Return** related to the **previous solar year**

