



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

ISEE Reform - The strategic role of ISEE in the Italian Social Protection system

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The “Equivalent Economic Situation” (ISEE) experience

- ✓ *Definition and features*
- ✓ *Main goals*
- ✓ *2013 reform*
- ✓ *ISEE-based social benefits and providers*
- ✓ *Main data and insights*

The “Equivalent Economic Situation” (ISEE) experience

Definition and features

The tool to **assess the households’ eligibility to social assistance benefits and services** is based on a specific economic indicator called **ISEE** (Equivalent Economic Situation Indicator). ISEE has no territorially restrictions and it can be used nation-wide.

ISEE was firstly **introduced in 2000 and considerably revised in 2013**, in order to ensure greater fairness while applying to social benefits and services.



ISEE **considers** the wealth of the family (incomes, real-estate and financial assets) and its composition, by taking into account the number of members, the presence of children and disables



ISEE is used by social assistance public administrations (both at central and local level) to **verify the applicants’ requirements** to access to social benefits and services

ISEE provides an important **input to the requirements set-up of social benefits and services**: it allows Policy Makers and social benefits providers to broaden or limit the access to a specific social assistance measure, by defining households’ **differentiation for social benefits and services through ISEE thresholds**

The “Equivalent Economic Situation” (ISEE) experience

Main goals

ISEE supports the central and local government (Regions, Municipalities, etc.) in **clustering the population** in terms of **income brackets, social assistance needs and beneficiaries**

Identification of households’ social assistance needs



Support to the evolution of the **social benefits and services framework**, in order to effectively **meet the citizens’ needs**



ISEE GOALS

Addressing the social assistance budget to the most requested social benefits and services or neediest territories



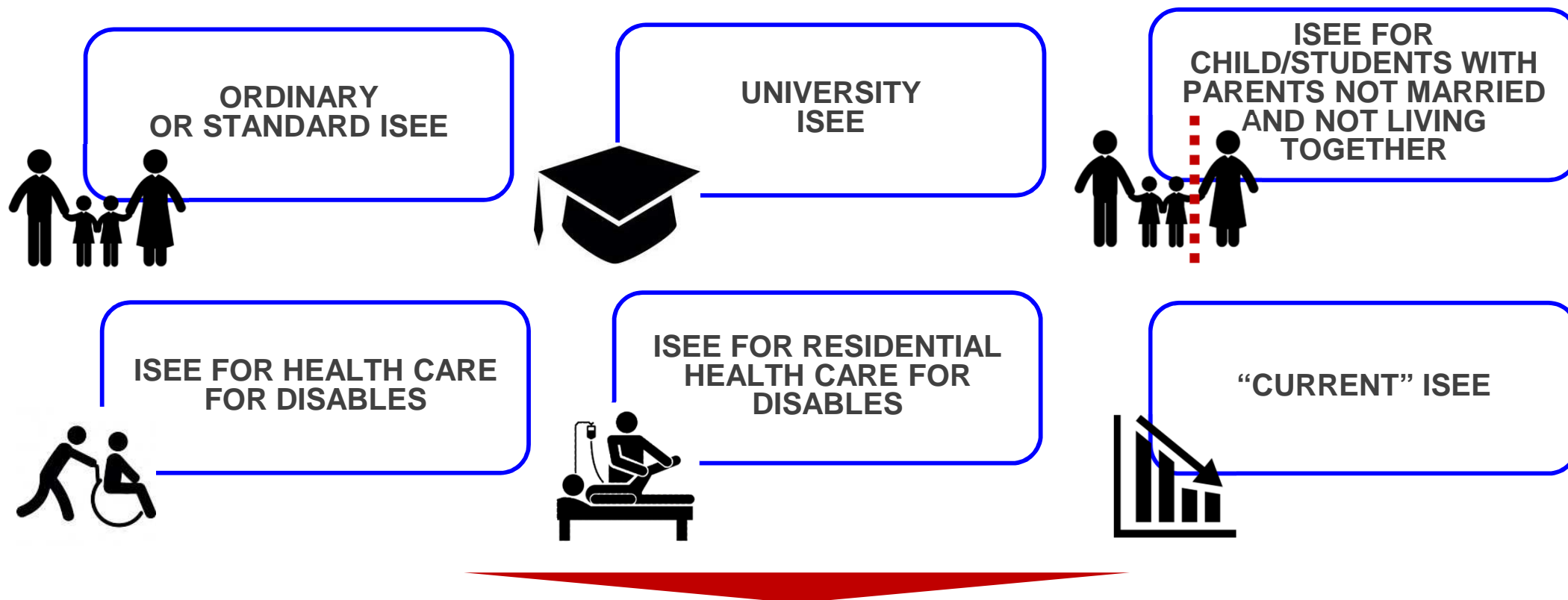
Monitoring the national households’ wealth trend and analyzing the families’ composition evolution



The “Equivalent Economic Situation” (ISEE) experience

2013 Reform – More Indicators

In 2013, in order to make the indicator as much fair and representative of the actual household condition, five new ISEE were introduced besides the ordinary one



Each ISEE is based on the same formula but it is customized on the social measure or services the citizen is applying to and/or the household peculiarities (*e.g. disables, child whose parents are not married and do not live together, etc.*)

The “Equivalent Economic Situation” (ISEE) experience

2013 Reform – Review of the calculation factors



The Reform revisited some of the ISEE calculation, in order to reflect the actual economic condition of the household as truthful as possible and, as a result, to ensure greater fairness with regard to the access to social benefits

- 1 Inclusion in the calculation of tax free amounts (e.g. family allowances, welfare payments, etc.)
- 2 More favorable calculation method of the owned housing building that takes into account the number of households' members and the mortgage payments left
- 3 Inclusion in the calculation of the ISEE of the assets owned abroad by the households' members
- 4 Calculation method of the financial assets not only as a final stock, but also by average year balance, if greater
- 5 Possibility to deduct expenses stated to the Revenue Agency (e.g. health expenses)

The “Equivalent Economic Situation” (ISEE) experience

2013 Reform – More controls and less bureaucracy

The Reform has introduced simplifications and strengthened the controls on the data:

- 1 Reduction of self-certified data: incomes are transmitted to INPS by the Italian Revenue Agency
- 2 Carry-out of automatic controls on all financial assets (e.g. bank deposit existence), household composition (e.g. effective existence of a person)
- 3 In case of irregularities are found out, they are communicated to the Italian Finance Police for further controls and sanctions

The decrease of self-certified data has considerably reduced mistakes and fraud attempts

The “Equivalent Economic Situation” (ISEE) experience

ISEE-based social benefits and providers

Using the appropriate ISEE, citizens can apply to **several social benefits** that are **granted by different institutional providers**:

EXAMPLES OF SOCIAL BENEFITS PROVIDERS



INPS



UNIVERSITIES



MUNICIPALITIES AND
LOCAL
ADMINISTRATIONS

EXAMPLES OF SOCIAL BENEFITS AND SERVICES PROVIDED USING ISEE

- ✓ **Low income elderly vouchers** to sustain basic needs
 - ✓ **Home care services** for disables
 - ✓ **Contributions to personal services** (care and hygiene interventions in favor of persons at marginalization risk, etc.)
 - ✓ ...
- ✓ **Scholarships**
 - ✓ Facilitations for **university taxes**
 - ✓ **Meal allowance** and **accomodations** for students
 - ✓ ...
- ✓ **Household allowance**
 - ✓ **Moterhood and family allowance**
 - ✓ Monetary **contributions for transport** and mobility
 - ✓ Facilitations for **utilities** (electricity, energy, ect.)
 - ✓ **Kindergarten facilitations**
 - ✓ ...

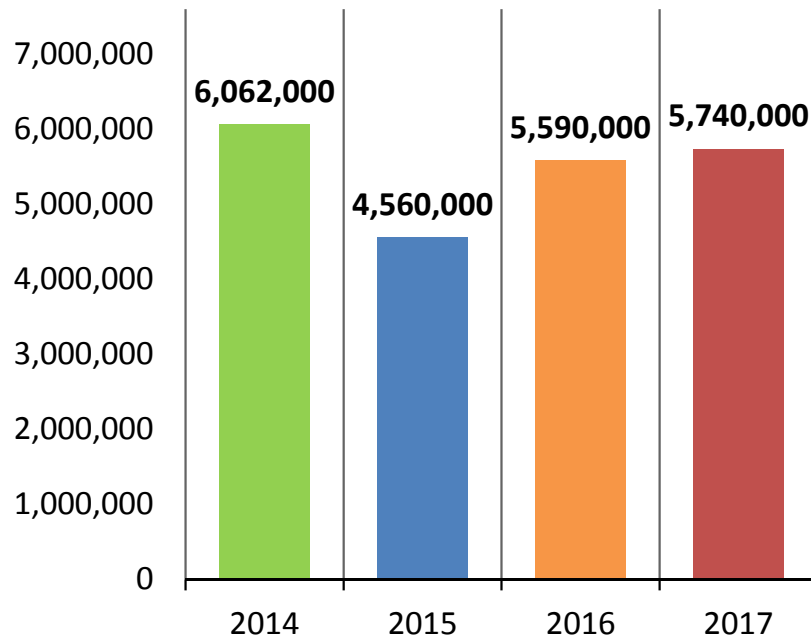
The “Equivalent Economic Situation” (ISEE) experience

Main data and insights (1/3)

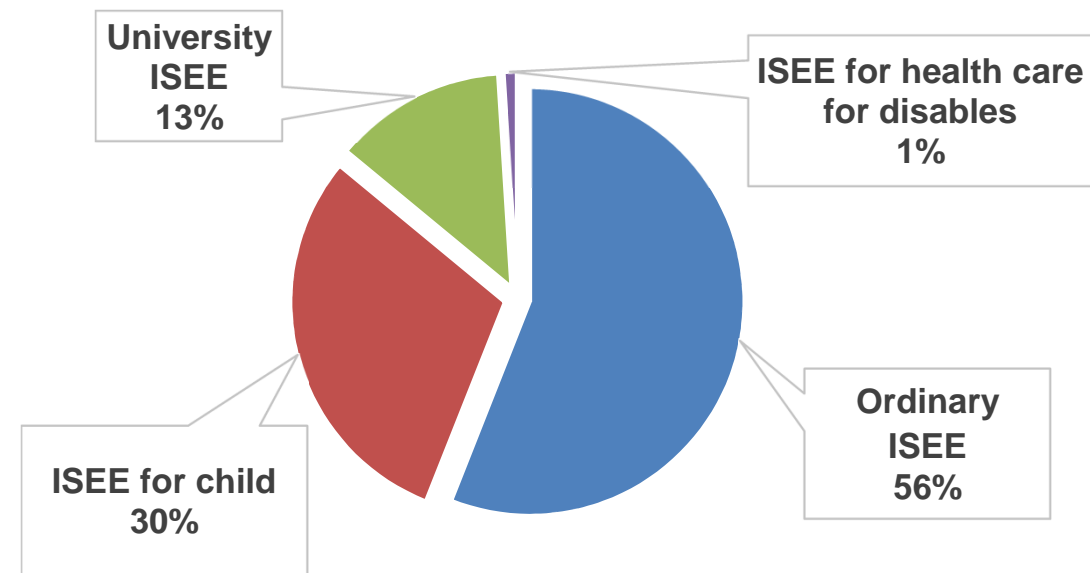
The chart below shows the **nationwide volume of DSU submitted to INPS** comparing the new ISEE framework (2015 – 2017) with 2014 (the last year before the reform) and the distribution of the indicators calculated by INPS.

The **DSU** is the document in which citizens **self-certify the information needed to calculate ISEEs** that, at the moment, cannot be automatically gathered from Revenue Agency and INPS data bases and choose the indicator(s) they want to apply to.

DSU Transmitted to INPS



Indicators distribution (2017)



The “Equivalent Economic Situation” (ISEE) experience

Main data and insights (2/3)

The table following shows the **percentage distribution of ISEE** calculated by INPS in terms of ISEE values' ranges during 2017.

Due to the introduction of different indicators based on the specific beneficiary and the social benefits he/she will apply to, the most vulnerable people have benefited of a reduction of the ISEE value: 16% of ISEE for health care services for disables is equal to zero

<i>ISEE values' ranges (year 2017)</i>	ORDINARY ISEE	ISEE FOR CHILD	UNIVERSITY ISEE	ISEE FOR HEALTH CARE FOR DISABLES
<i>ISEE = 0</i>	9%	8%	2%	16%
<i>0 < ISEE ≤ 3.000 €</i>	16%	18%	5%	14%
<i>3.000 € < ISEE ≤ 5.000 €</i>	11%	12%	5%	10%
<i>5.000 € < ISEE ≤ 7.500 €</i>	14%	14%	7%	15%
<i>7.500 € < ISEE ≤ 10.000 €</i>	10%	11%	8%	11%
<i>10.000 € < ISEE ≤ 15.000 €</i>	13%	14%	15%	15%
<i>15.000 € < ISEE ≤ 20.000 €</i>	9%	9%	14%	8%
<i>20.000 € < ISEE ≤ 25.000 €</i>	6%	5%	11%	4%
<i>25.000 € < ISEE ≤ 30.000 €</i>	4%	3%	9%	3%
<i>30.000 € < ISEE ≤ 50.000 €</i>	6%	4%	17%	4%
<i>ISEE > 50.000 €</i>	2%	1%	7%	1%

Legend



The “Equivalent Economic Situation” (ISEE) experience

Main data and insights (3/3)

The following charts show, in 2015 and 2016, the **different composition of the ISEE households**. **Half of the ISEE households has a children**, whereas **almost 20% of the households is composed by, either, a disabled person or an university student**.

