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This file contains the appendices to the paper, unchanged w.r.to the previous version

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Appendix A: The Monti-Fornero (2011) reform

The Monti-Fornero reform introduced two main retirement regimes:

- (i) employees can retire when they reach a certain age, if they have at least 20 years of seniority. In 2014, when the survey was conducted, this age was 66 years and 9 months for (all) men and for women employed in the public sector, while it was 63 years and 9 months for women employed in the private sector (64 and 9 months for self-employed women).
- (ii) employees can retire when they have paid at least 42 years and 6 months (41 and 6 months for women) years of pension contributions, irrespectively of their age.

Actuarially fair return of staying one year longer at work

It is interesting to compare the average willingness to pay to anticipate retirement reported in table 1 with the actuarially fair amount that a worker of a given age should pay in order to anticipate retirement by one year. We have computed the actuarially fair amount that a worker aged N years should pay in order to anticipate retirement by one year, considering $N = 55, 56, \dots, 67$.¹ For every cohort, we proceeded as follows. Given a fixed amount of total pension contributions paid by a worker aged N years at the moment of the survey (2014), we computed her DC pension if she retires in 2014. We then repeat the computation in case the worker retires one year later, considering she has paid the same amount of total pension contributions. In this way we obtain an estimate of her pension if she postpones retirement by one year.² For every euro of pension contributions already paid, the actuarially fair amount a worker aged N years is willing to pay in order to anticipate retirement by one year equals the difference between the latter and the former. We present the results in Table A.1 below.

Table A.1 - Actuarially fair return of staying one year longer at work

from 58 to 57	2.6%
from 59 to 58	2.7%
from 60 to 59	2.8%
from 61 to 60	2.9%
from 62 to 61	3.0%
from 63 to 62	3.1%
from 64 to 63	3.2%
from 65 to 64	3.3%
from 66 to 65	3.5%
from 67 to 66	3.6%
from 68 to 67	3.8%
from 69 to 68	3.9%
from 70 to 69	4.1%

Source: Our elaborations based on statutory annuity rates.

We can see that the actuarially fair amount increases with age and on average is close to 3 percentage points of the total retirement benefit. This amount is comparable to the average (and higher than the median) amount individuals are willing to pay in our sample, see section 2. However, it becomes

¹ We stopped at 67 years since all workers should be entitled to retire when they are 67 years old at the latest.

² This amount is only an estimate since during the additional year the worker would have been paying additional pension benefits that we do not consider in our computations.

lower than the median and the average amounts when we only consider individuals who are willing to pay for earlier retirement.

Appendix B: The Eurisko questionnaire

In October 2014 CeRP-Collegio Carlo Alberto commissioned Eurisko-GFK to conduct a survey of a representative sample of Italian dependent workers aged 55 and above. The participants were interviewed about many aspects of their working position, their contribution patterns to the social security schemes, their understanding and knowledge of the aims and scopes of the pension reform that occurred in Italy at the end of 2011, their saving and investment decisions, their health status and their informal caregiving activities. Here follows a list of the sections into which the survey was organised and a detailed description of the questions of the survey used in the empirical analysis of this paper.

A Socio-demographic information

A1: Age

A2: Occupational status

A3: Sex

A4: Education

A5: Marital status

A6: Region of residence

B Occupational status and pension scheme

B1: What is your pension scheme?

B2: What is your seniority in the pension scheme?

B3: What is your desired age of retirement? [Defining the variable: *Desired age of retirement*]

B4: According to the current rules, when do you expect to retire? [Defining the variable: *Expected age of retirement*]

B6: To access retirement one year before the expected retirement age, what percentage of pension benefit are you willing to renounce?

C Expectations and perceptions about the aims and scopes of the social security system

D Expectations and perceptions about the social security reform that occurred in 2011 (the so-called Monti–Fornero reform)

D1: How much do you agree with the statements below:

(very much, much, so and so, not much, not at all, I do not know)

The objective of the Monti–Fornero reform is:

- To contrast the effects of population ageing on public finances
- To convince the financial markets that the Italian pension system does not threaten the sustainability of the public debt
- To improve the equilibrium of the pension system also for the young and the future generations

D3: As a consequence of the Monti–Fornero reform, has your retirement been delayed?

D4: By how many years? (1, 2, 3, 4, 5, more than 5 (specify)...))

D8: What change in the amount of pension benefit do you expect as a consequence of the increase in the age of retirement and of the adoption of the notional defined contribution rule from 2012?(an increase, a decrease, no variation, I do not know)

E Household savings and wealth

E1: In your opinion, how much would you receive if you sold your house today?

F Health status and informal caregiving duties

F1: Would you say your health is excellent/very good/good/fair/poor?

F5: Do you think your work is arduous?

F6: How often altogether have you given personal care or practical household help to an elderly family member? (0 hours, 1–10 hours, 11–30 hours, 31 hours or more)

F7: How often altogether have you given personal care or practical household help to a young family member (child or grandchild)? (0 hours, 1–10 hours, 11–30 hours, 31 hours or more)

Comparison with the Bank of Italy sample 2014

Table A.1 – Descriptive statistics – BI-SHIW 2014 sample of employees aged 55–65

Variables	Obs.	Mean	Std Dev.	Min.	Max.
<i>Women</i>					
Age	488	58.35	2.56	55	65
Couple	488	0.72	0.45	0	1
North	488	0.50	0.50	0	1
Centre	488	0.22	0.41	0	1
University degree	488	0.27	0.45	0	1
High school diploma	488	0.43	0.50	0	1
<i>Men</i>					
Age	668	58.69	2.86	55	65
Couple	668	0.83	0.38	0	1
North	668	0.39	0.49	0	1
Centre	668	0.19	0.39	0	1
University degree	668	0.21	0.41	0	1
High school diploma	668	0.39	0.49	0	1

Note: sample of waged employees aged 55–65.