

VID Colloquium

Differential Mortality and the Design of the Italian System of Public Pension

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Date: Tue, 2 December 2014, Time: 10:00 - 11:00 am

This presentation considers the issue of actuarial fairness of the new Italian public pension system in view of the recent and future trends in old-age mortality and the survival differences by gender. After reviewing the secular trends in elderly mortality in Italy, and the evolution of gender differences in survival over the last decades, we evaluate the impact, on the conversion factors introduced by the “Dini pension reform”, of a further decline in elderly mortality over the next few decades. We compute the conversion factors using a close approximation to the unknown formula employed in the pension reform but allowing for gender-specific survival probabilities. Our results leave no doubt about the importance of frequently updating the conversion factors in the light of the rapid increase in elderly survival. The presentation also quantifies to what extent gender specific conversion factors may differ from their currently legislated values that only vary by age. Finally, we recognize that the actuarial fairness of the system introduced by the recent reform (“Fornero pension reform”) can only be guaranteed on average and that, in the presence of a heterogeneous population of individuals that differ considerably in their mortality prospects, the current system implies a substantial degree of redistribution from high-mortality groups (typically characterized by low income and low wealth) to low-mortality groups (typically characterized by high income and high wealth).

About the presenter

Professor Graziella Caselli is a IUSSP Laureate for the year 2012. She is Honorary President of the European Association for Population Studies (EAPS), editor in chief of GENUS - Journal of Population Sciences -, chair of the Scientific Advisory Board (SAB) of the Vienna Institute of Demography (Austrian Academy of Sciences), and member of the Academic Council at the PRÉShéSam (Pôles de recherché et d'enseignement supérieur parisiens) Hautes Etudes Sorbonne Arts et Métiers, Paris. She was elected during 8 years as a member of the IUSSP Scientific Council and was member of the IUSSP committee on Adult Mortality. She also chaired the IUSSP working group on Teaching Demography. For 12 years she was Head of the Department of Demography, University of Rome “La Sapienza” and for 6 years she was a member of the Authority for Statistical Information at the Italian Prime Minister’s Office, and member of the Committee for Research on Equal Opportunities, Ministry of the University and Research and Ministry of Equal Opportunities. Her main research focuses on ageing and life expectancy, health and projection and forecast.

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