



**LIGHTS UP YOUR FUTURE!**

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## **ABOUT US**

The **Fon.Te.** pension fund is a **collectively agreed supplementary pension fund** for employees of businesses in the Tertiary sector (commerce, tourism and services). Since 2011 Fon.Te. is also a reference supplementary pension fund for the employees of professional firms and craft enterprises.

Fon.Te. enables workers in the sectors concerned to have a second pension in addition to the compulsory state pension through various national collective bargaining agreements (CCNLs).

As part of an evolution process within the sphere of Italian welfare, constituent trade union organisations have felt the need to provide a concrete response to specific social needs. Fon.Te. is an independent legal person endowed with its own bodies, administered solely by workers' representatives and participating employers.

It has been created in the form of a **recognised non-profit association**. It operates under a defined contribution regime and the supervision of COVIP, Italy's supplementary pensions regulator. It is registered in the COVIP register under no. 123.

## **WHO CAN JOIN**

All full-time and part-time workers employed with an open-ended labour contract can join the Fund, as well as workers employed with a fixed-term contract or on a seasonal basis, whose working activity lasts no less than three months in the year. The Information Note gives the target group of workers based on the relevant CCNL.

**Persons fiscally dependent on** Fund members may also be registered with Fon.Te.

N.B. Payments effected in favour of family members can be deducted in full from the worker's income.

At 31/03/2014 a total of **195,264** workers were **registered with Fon.Te.** At the same date, **29,905 businesses were registered.**

## WHY JOIN?

Fon.Te. offers its members the possibility of building a **supplementary pension** to the state pension, the size of which, as it passes from an earnings-related to a contribution-based system, is likely to fall considerably in coming years.

## FURTHER ADVANTAGES OF JOINING

If the worker joins:

- **the employer is obliged** to pay the contractually required contribution if the member pays in his part. The employer's contribution, on the other hand, is not payable if only severance indemnity (TFR) is transferred, tacitly or explicitly, to the fund.
- Up to €5,164.57 of contributions paid in (by the firm and by the member) is **deductible** from taxable income. When calculating this ceiling, the TFR flow should not be considered. For members, **tax savings** are **immediate**, being entered directly in the worker's pay packet.
- **taxation is applied corresponding to 11%** (lower than that applied for financial investments, 26%) of returns obtained from the management of collected assets. The tax is drawn directly from invested assets, and returns are already net of tax.

## HOW TO JOIN

After having received and read a copy of the By-laws, Information Note and Standard Pension Simulator (also available from the website [www.fondofonte.it](http://www.fondofonte.it)), it is necessary to fill in the registration form and hand it in to the employer, who is **obliged** to complete it, giving data on the firm, and submit it to Fon.Te.

The registration form can be obtained from the Fund's website, and can be compiled using the procedure that is available online.

## COLLECTION PHASE

Upon registration an **individual account** is opened, in the name of the new member, to which contributions paid in and any transfers from other forms of supplementary pension are conveyed.

The contributions paid in, in addition to returns on investments obtained from the Fund, will go to make up the **individual position** which, at the time of retirement, will serve as the basis for calculating pension levels.

## THE CONTRIBUTION

The contribution is made up of:

- **TFR** (severance indemnity)
  - **the worker's contribution**, a variable percentage fixed by the relevant CCNL;
  - **the employer's contribution**, a variable percentage fixed by the relevant CCNL;
- Both the member worker and the employer may effect additional payments, in the form of occasional or one-off payments.

Provision of TFR

If the worker started working **after 28/04/1993**: whole TFR accrued

If the worker started working prior to 29/04/1993: whole TFR accrued, or only 50% thereof.

**N.B.** the percentage of 16% is contemplated solely by CCNL Artigiani (with the exception

of the building sector) and CCNL for private enterprises operating in the sector of postal distribution, delivery and services.

The worker may also join the Fund and pay in only TFR. In this case however, **the employer's contribution is not due.**

Minimum percentages to be met by the worker and the employer's percentage established by the CCNL can be found in the **Information Note** available at the Fund's website [www.fondofonte.it](http://www.fondofonte.it)

## HOW MUCH DOES IT COST TO JOIN

Fon.Te. costs consist of:

- a one-off **registration fee** of €15.50, €3.62 charged to the worker, the remaining €11.88 to the firm (for cleaning enterprises €7.75 to be met by the worker, €7.75 by the firm); €15.50 for the registration to Fon.Te. of family members fiscally dependent on the member worker.
- for Associations/Institutions affiliated to ANASTE, €15.49 (€11.88 met by the employer and €3.61 by the worker);
- for employees of Private Pharmacies €10.00, of which €8.00 to be paid by the employer and €2.00 by the worker;
- annual **membership fee**, to cover Fon.Te.'s administrative costs, made up of:
  - a) €22.00 for members making payments during the course of the year, drawn from the first payment of each year, or from the first payment pertaining to the year in question;
  - b) €10.00 for members not making payments during the course of the year, drawn from the individual position;
  - c) €15.00 for persons fiscally dependent on the worker registered with Fon.Te.; if no contributions are paid in during the year, the cost is €10.00, drawn from the individual position.

N.B. Costs incurred for financial management and the depository bank service are taken directly from the assets of each investment segment.

## ACTUAL COSTS AND EXPENSES

Below are details of costs actually incurred over the past three years, expressed as a percentage of year-end assets. All **costs actually incurred** with reference to the management (financial and administrative) of the segment have been considered, with the exception of dealing costs and tax charges.

	<b>2011</b>	<b>2012</b>	<b>2013</b>
Administration costs	0.20%	0.17%	0.16%
Financial management costs	0.13%	0.14%	0.14%
Depository bank costs	0.02%	0.02%	0.02%
<b>Total</b>	<b>0.35%</b>	<b>0.34%</b>	<b>0.32%</b>

**For more detailed information please visit the website [www.fondofonte.it](http://www.fondofonte.it) and view the By-laws, Information Note and Standard Pension Simulator, all available online.**

## FINANCIAL MANAGEMENT

**Assets** are **managed** by specialist professional brokers (managers) selected in a procedure whose rules are established by legislation. Managers are required to operate according to investment policies established by the Fund's governing body in compliance with rigorous prudence criteria to fully safeguard members' interests.

Assets set aside to pay out pensions are deposited with the **"depository bank"**, which acts as custodian of the capital and checks the regularity of management operations.

## INVESTMENT PORTFOLIO

- Bilanciato (mixed) segment (operational since February 2004)

80% of assets are invested in bonds, 20% in shares. The goal is to attain a moderate increase in invested capital in the medium term (over 5 years).

Degree of risk: medium

- Garantito (no-risk) segment (operational since July 2007)

95% of assets are invested in bonds, 5% in shares. The segment guarantees the return of capital invested at the expiry of the agreement, and a minimum guaranteed rate of return corresponding to the European inflation rate, upon the occurrence of the following events: retirement, death, permanent disability, unemployment lasting over 48 months, transfer following loss of requirements needed to participate in the Fund, in accordance with art. 14, paragraph 2 of Leg.Dec. 252/05.

Degree of risk: low

- Crescita (growth) segment (operational since June 2008)

65% of assets are invested in bonds, 35% in shares. The goal is to attain an average increase in invested capital over the medium/long term (over 10 years).

Degree of risk: medium/high

- Dinamico (dynamic) segment (operational since July 2008)

40% of assets are invested in bonds, 60% in shares. The goal is to attain a significant increase in invested capital over the long term (over 15 years).

Degree of risk: high

Each year members are able to transfer their individual positions to a different Investment Segment. **The assets** of each segment are divided into units. With each payment effected a number of units are allocated. The value of the assets of each segment and of the relative unit is determined on a monthly basis, with reference to the final day of the month. The **yield** of each segment is expressed as the **value of units**, and is made available at the website [www.fondofonte.it](http://www.fondofonte.it) ("Fund Unit Values").

**The value of the unit** is **net of all costs** incurred in the segment, including taxes on asset management returns.

## CHANGE IN VALUE OF UNIT IN PAST 5 YEARS

<b>Bilanciato</b> (31/03/09 - 31/03/14)		<b>Garantito</b> (31/03/09 - 31/03/13)	
<b>+28.9%</b>		<b>+14.8%</b>	
<b>Crescita</b> (31/03/09 - 31/03/14)		<b>Dinamico</b> (31/03/09 - 31/03/14)	
<b>+40.8%</b>		<b>+55%</b>	
<b>TOTAL ASSETS (m€)</b>			
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014 (Mar)</b>
1.603	2.001	2.105	<b>2.467</b>

Past yields are not necessarily indicative of future returns.

## PRE-RETIREMENT BENEFITS

The final goal of Fon.Te. is to provide workers with a **supplementary pension** to bolster the state pension. During the collection phase workers may however request:

## ADVANCES, REFUNDS AND TRANSFERS

### Advances

The Fund member may request an advance from his accrued individual position, **for example an advance that is larger than that possible were TFR left in the firm**, and may in any case remain a member.

**Advances** – Cases and procedures:

<b>Healthcare costs</b>	
when it can be requested	at any time
advance ceiling	up to 75% of accrued amount
taxation	15% withholding tax
<b>Purchase of main dwelling</b>	
when it can be requested	after 8 years as member
advance ceiling	up to 75% of accrued amount
taxation	23% withholding tax
<b>dwelling renovation work</b>	
when it can be requested	after 8 years as member
advance ceiling	up to 75% of accrued amount
taxation	23% withholding tax
<b>Other needs</b>	
when it can be requested	after 8 years as member
advance ceiling	up to 30% of accrued amount
taxation	23% withholding tax

**N.B. For amounts collected up to 31/12/2006 the taxation rate in force for each period (broken period) will be applied.**

### REFUNDS

The member may withdraw all or a part of the position accrued in the pension fund, providing certain conditions are met relating to the member's working life.

Types of refund

**A. Partial refund** (50% of accrued capital)

- period spent unemployed of between 12 and 48 months
- redundancy, ordinary or extraordinary earnings supplement fund

**B. Full refund** (100% of accrued capital)

- permanent disability, with reduction of working capacity to less than one third
- period spent unemployed in excess of 48 months

**C. Refund for sundry reasons** (100%, 70% or 50% of accrued capital), *for instance:*

- exit from workplace
- change to CCNL and/or promotion to management status
- exit from workplace due to retirement, with participation in the supplementary scheme for a period of less than five years.

Taxation of refunds:

As from 01/01/2007

- The refund for sundry reasons (e.g. the worker stops working for the firm) is subject to a 23% withholding.
- Other types of refund are subject to a 15% withholding, reduced by 0.30% for each year after the 15<sup>th</sup> year of participation, up to a minimum of 9%.

N.B. For amounts collected up to 31/12/2006 the taxation rate in force for each period (broken period) will be applied.

Death prior to retirement

All accrued capital is paid out to the designated beneficiary, or if not designated, to the heirs.

## TRANSFERS

A member that changes employer and reference contract may transfer his accrued position to another Fund. The transfer is not taxed, and guarantees continuity in building the supplementary pension.

Two years after joining, the member may in any case transfer his entire accrued individual position to another supplementary pension scheme. In this case, however, the member loses the right to the employer's contribution, unless this right is expressly contemplated by agreements applied to the labour relationship.

Expenses for exercising individual options

As from 01/05/2012 the following expenses for exercising individual options are applied (drawn from the individual position at the time of the operation):

- Advances €24.00
- Transfer as long as participation requirements are met €24.00
- Refund for sundry reasons €24.00

## THE SUPPLEMENTARY PENSION

When requirements are met for obtaining the benefits (pension) established in the compulsory system of the sector concerned, the member may ask for the pension to be disbursed **in the form of an annuity**, providing he has **participated in supplementary pension schemes for at least five years**.

The member may receive the benefit in the **form of capital** up to 50% of the individual position accrued (payments + returns), while the remainder will be converted into an annuity.

It is possible to obtain 100% of the benefit in capital form only if the immediate life annuity without reversibility obtained on 70% of the accumulated position is less than 50% of the so-called social pension.

Fon.Te. has entered into an agreement with the company UnipolSai Assicurazioni S.p.A. for supplementary pension benefits that offers the choice between the following types:

- immediate life annuity;
- guaranteed annuity 5 years;
- guaranteed annuity 10 years;
- reversible annuity;
- annuity with return of premiums;
- Long Term Care annuity due to loss in self-sufficiency.

\*The pension may be disbursed up to five years prior to the meeting of requirements for obtaining a pension in the relevant compulsory system in the event of exit from the workplace resulting in unemployment for a period exceeding 48 months, or in the event of permanent disability with a reduction in working capacity to less than one third.

**For more information, please consult the website [www.fondofonte.it](http://www.fondofonte.it) and the Document on Annuities, and use the Customised Pension Simulator to obtain an estimate of your future supplementary pension.**

**N.B.**

**For 2014 the pension fund is subject to a tax replacing income tax to the extent of 11.5 per cent, instead of 11 per cent.**

**Warning**

***Promotional message concerning supplementary pension schemes. Before joining, read carefully the Information Note, By-laws and Standard Pension Simulator.***

***All documentation is available from the Fund's website ([www.fondofonte.it](http://www.fondofonte.it))***