



Press Office of the Constitutional Court

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HIGHER PENSIONS: THE “FREEZING” OF AUTOMATIC INCREASES AND THE SOLIDARITY CONTRIBUTION ARE ONLY LAWFUL IF REASONABLE AND PROPORTIONATE, ALSO IN TERMS OF THEIR DURATION

The legislator may “freeze” automatic increases for high pensions and subject them to a solidarity deduction provided that it complies with the constitutional principles of reasonableness and proportionality, including in terms of the duration of the measure.

This ruling was adopted by the Constitutional Court in [Judgment no. 234](#) filed today (author Stefano Petitti), which ruled on questions of constitutionality raised by the *Tribunale di Milano* and certain regional judicial divisions of the Court of Auditors in relation to measures to contain budgetary spending laid down by the 2019 Budgetary Law affecting high pensions.

The Court declared the questions unfounded as regards the triennial “freezing” of automatic increases, whilst on the other hand accepting them solely with regard to the five-year duration of the solidarity contribution (see also the [press release of 22 October](#)).

According to the Court, the measure to restrict automatic increases, which was adopted by the legislator with the aim of pursuing objectives internal to the pension system over a three-year timeframe (financing of the “quota 100” scheme), does not violate the principles of reasonableness and proportionality as it in any case guarantees an increase – albeit partial, yet not merely symbolic – in line with inflation also for higher pensions.

As regards the solidarity contribution, the Court pointed out that this measure, the aim of which is to pursue the above-mentioned objectives internal to the pension system over a three-year timeframe, does not violate the principles of reasonableness and proportionality and passes constitutional muster as it operates according to a progressive logic, and in any case only applies subject to a minimum payment of EUR 100,000 gross per annum.

However, the Court held that the five-year duration of the deduction was unreasonable on the grounds that its duration was disproportionate. That duration is excessive having regard to the ordinary three-year timeframe for the state’s spending budget and the timeframe for the objectives pursued by it, as well as being misaligned with the time limit for the restriction on automatic adjustments, which was also provided for under the same budgetary law.

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