

33. Employee benefits

Employee benefits totalled €22,058 and comprised the following:

(Values in €/000)	December 2013	December 2012	Change
Employee termination benefits	21,407	3,618	17,789
Pensions and similar expenses	65	107	(42)
Other provisions for employees	586	781	(195)
Employee benefits	22,058	4,506	17,553

Notes to the consolidated financial statements

The loyalty bonus is governed by Article 66 of the national collective agreement of 5 July 1995 for the building industry. The agreement states that, from the 20th year of uninterrupted and effective service, the employer shall pay the employee, each year, or on each subsequent anniversary, a bonus equivalent to one month's salary. In addition, in the event that an employee who is already eligible for the bonus should be dismissed other than on disciplinary grounds, the agreement states that the bonus shall continue to accrue for as many months as there are whole months of service since the previous bonus vested. The loyalty bonus is thus similar to a deferred salary and falls into the category of "defined benefit plan".

The overall increase in employee benefits, of €17,553, is mainly due to the contribution of Impregilo Group, of €18,145, partially offset by changes relating to ordinary operations.

The method used to measure defined benefit plans is the Projected Unit Credit Method (PUCM).

The liability for post-employment benefits shown in the financial statements is the outstanding payable at the reform effective date, net of benefits paid up to the reporting date. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of independent professionals, was based on the following rates:

	Salini Group	Impregilo Group
Turnover	20.0%	7.5%
Discount rate	3.0%	3.1%
Annual advance rate	3.0%	2.0%
Inflation rate	2.0%	2.0%

The retirement age has been calculated, based on the date on which each employee started work, by considering the first effective window according

to the prevailing legislation on pensions at the measurement date.