



METHODOLOGICAL EXPLANATION

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EXPENDITURE AND RECEIPTS OF SOCIAL PROTECTION SCHEMES

This methodological explanation relates to the data releases:

- Expenditure and receipts of social protection schemes and pension beneficiaries, Slovenia, annually (First Release)
- Expenditure and receipts of social protection schemes, Slovenia, annually, detailed data (Electronic Release)



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1 PURPOSE

The purpose of the survey is to present data on expenditure intended for social protection and its financing. The published data show detailed categories of income and expenditure by observed social protection schemes, which can be used for studies in the following areas of social protection: sickness / health care, disability, old age, survivors, family / children, unemployment, housing, and social exclusion not elsewhere classified.

2 LEGAL FRAMEWORK

- Annual Programme of Statistical Surveys (LPSR) (only in Slovene)
- [National Statistics Act](#) (OJ RS, No. 45/95 and 9/01)
- [Regulation \(EC\) No 458/2007 of the European Parliament and of the Council of 25 April 2007 on the European system of integrated social protection statistics \(ESSPROS\)](#)
- [Commission Regulation \(EU\) No 263/2011 of 17 March 2011 implementing Regulation \(EC\) No 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics \(ESSPROS\) as regards the launch of full data collection for the ESSPROS module on net social protection benefits](#)
- [Commission Regulation \(EC\) No 10/2008 of 8 January 2008 implementing Regulation \(EC\) No 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics \(ESSPROS\) as regards the definitions, detailed classifications and updating of the rules for dissemination for the ESSPROS core system and the module on pension beneficiaries](#)

3 UNIT DESCRIBED BY THE PUBLISHED DATA

According to the methodology of the basic ESSPROS system, the observation unit is a **social protection scheme**. According to the definition of the methodology, a social protection scheme is a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing. For the scheme to draw up a separate account of expenditures and receipts should be possible. Preferably, they should be chosen in such a way that they provide protection against a single need and cover a single specific group of beneficiaries. The body of rules may be determined by law, by virtue of laws, by contracts or by virtue of administrative practice. The schemes for Slovenia have been chosen in such a way that it is possible to compile appropriate data, that they can be classified according to the methodology and that they represent a rounded unit in terms of contents.

The following observation units or schemes are determined:

1. **Compulsory health insurance.** The scheme covers rights arising from compulsory health insurance implemented by the Health Insurance Institute of

Slovenia. It is financed by social contributions. The program also includes expenditures arising from intervention measures during the covid-19 epidemic (treatment, costs of materials, tests, vaccines, etc.) and are financed from the budget.

2. **Voluntary health insurance** implemented by insurance company Vzajemna. The scheme covers rights from complementary health insurance for the difference to full value of health services that is not covered by the Health Insurance Institute of Slovenia. The expenditure is covered by premiums.

3. **Voluntary health insurance** implemented by insurance company Generali. The scheme covers rights from complementary health insurance for the difference to full value of health services that is not covered by the Health Insurance Institute of Slovenia. The expenditure is covered by premiums.

4. **Other rights from the field of health.** These are rights that are not arising directly from compulsory health insurance but are statutory. The expenditure is covered by the state budget.

5. **Pension and disability insurance - general.** The scheme covers rights arising from general pension and disability insurance implemented by the Pension and Disability Insurance Institute (ZPIZ). The expenditure is covered by social contributions, partly by the state budget. The program also includes solidarity allowances resulting from intervention measures during the covid-19 epidemic.

6. **Special rights - special groups of civil servants.** The scheme covers rights to higher pensions than under general conditions. Various laws referring to special groups of civil servants define eligible persons. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

7. **Special rights - workers in coalmines and workers with asbestos.** The scheme covers rights arising from more favourable conditions of retiring of workers who used to work in coalmines or with asbestos. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

8. **Pension allowance.** Under this scheme Slovene citizens entitled to receive pensions from former Yugoslav republics are paid the difference between the received foreign pension and the pension adjusted as pensions in force in Slovenia. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

9. **Pension payment on account.** This is advance payment of pensions and other benefits that persons with permanent residence in the Republic of Slovenia enforced in other republics of former Yugoslavia but are not paid to them. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

10. **Farmers' old age insurance.** The scheme covers pensions of farmers who were insured according to the old age insurance of farmers. Normal pensions are financed from the ZPIZ funds, while higher pensions for farmers combatants are financed from the state budget. It is administered by the ZPIZ.

11. **Alimonies.** The scheme covers alimonies to farmers (these rights are covered from ZPIZ funds) and alimonies to former private chimney sweeps (these rights are covered from the state budget). The scheme is administered by the ZPIZ.

12. **Special rights - to right a wrong.** These are rights to higher pensions than under general rules. The basis for these rights is acknowledged insurance period for the time when labour relations of persons were suspended due to unjustified conviction or unfounded imprisonment or the status of the insured person was made impossible in some other way. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

13. **Special rights - conceded pensions.** These are rights to higher pensions than under general rules. Eligible persons are those who have special credit in the field of science, art, culture, etc. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

14. **Special rights - combatants of National Liberation War.** The scheme covers rights to higher pensions than under general rules. Eligible persons are people participating in the National Liberation War and their family members. The expenditure is covered by the state budget. It is administered by the ZPIZ.

15. **Special rights connected with wars.** These are rights of victims of war violence and of war veterans to higher pensions than under general rules. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

16. **Military pensions.** The scheme covers rights from pension and disability insurance of insured military personnel that used to be implemented by former Yugoslavia. The expenditure is covered by the state budget; the scheme is administered by the ZPIZ.

17. **Rights by martial laws.** The scheme covers various social benefits in cash and in kind to war disabled, victims of war violence and war veterans (pensions of these eligible persons are covered by scheme 15). The expenditure is covered by the state budget; the scheme is administered by the Ministry of Labour, Family and Social Affairs (MDDSZ).

18. **Pension and disability insurance - Mutual Fund for Craftsmen and Entrepreneurs.** The scheme covers rights of persons insured by this fund. The rights are financed mainly by premiums.

19. **Rights of physically and mentally disabled.** The scheme covers compensation for disability of persons with physical and mental disabilities. The expenditure is covered by the state budget; the scheme is administered by the MDDSZ. The program also includes solidarity allowances resulting from intervention measures during the covid-19 epidemic.

20. **Training of children and youth with special needs.** This is expenditure linked to adjusting the education of children with special needs. The expenditure is covered by the state budget; the scheme is administered by the Ministry of Education and Sport.

21. **Maternity leave compensation.** This is the right to wage compensation for maternity leave and child nursing, which arises from compulsory insurance. The expenditure is covered by the state budget (as receipts social contributions are also shown). The scheme is administered by the MDDSZ.

22. **Other rights from the Family Income Act.** The scheme covers the rights to child allowance, parental allowance, allowance for nursing a child and assistance for goods for a newborn. The expenditure is covered by the state budget; the scheme is administered by the MDDSZ. The program also includes solidarity allowances resulting from intervention measures during the covid-19 epidemic.

23. **Pre-school education.** This is the difference between the price of pre-school education programs (education, care, food) and payment of parents. The expenditure is covered by municipal budgets.

24. **Obligatory insurance for the case of unemployment.** The scheme covers rights arising from compulsory insurance implemented by the Employment Service of Slovenia. The expenditure is covered by the state budget (as receipts social contributions are also shown). The program also includes solidarity allowances resulting from intervention measures during the covid-19 epidemic (reimbursements of salary compensations for temporarily laid-off workers, reimbursements of compensations for part-time employment, temporary cash benefits, etc.).

25. **Active employment policy schemes.** This is expenditure for active employment policy that refers to vocational education. The scheme is administered by the Employment Service of Slovenia; the expenditure is covered by the state budget.

26. **Social welfare.** The scheme covers expenditure for social welfare contributions and services, activity of centres for social work and some other rights from the field of social welfare. The expenditure is covered by the state budget and municipal budgets. The scheme is administered by the MDDSZ.

27. **Benefits to seekers of temporary protection.** These are rights of people applying for asylum and of refugees to basic care, health care and some other rights. The expenditure is mainly financed by the state budget. The scheme is administered by the Government Office for Immigration and Refugees.

28. **Employers' schemes.** This is expenditure covered by employers for rights of employees defined by laws or collective agreements (wage compensation for sick leave up to 30 days, redundancy payment, solidarity help, etc.).

29. **Voluntary health insurance** implemented by insurance company Triglav. The scheme covers rights from complementary health insurance for the difference to full value of health services that is not covered by the Health Insurance Institute of Slovenia. The expenditure is covered by premiums.

30. **Housing.** Subsidizing rents for non-profit housing; the scheme is administered by the MDDSZ and expenditures are covered by the state budget.

31. **Other social protection at local level.** Various expenditure within municipal budgets, e.g. one-off assistance at the birth of a child.

32. **Other rights under the Intervention Measures Act (covid-19) and measures to eliminate the consequences of the high costs of energy,** which were not classified in the aforementioned programs.

4 SELECTION OF OBSERVATION UNIT

The coverage is complete; this means that all social protection schemes are covered by the survey.

5 SOURCES AND METHODS OF DATA COLLECTION

Data are collected annually.

For calculating data on expenditures and sources of financing of social protection schemes, administrative and other databases obtained from the holders of official records are mostly used. Some data are also obtained from already published data. Data sources:

- Health Insurance Institute of Slovenia (Scheme 1)
- Pension and Disability Insurance Institute of Slovenia (ZPIZ) (Schemes: 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16)
- Ministry of Labour, Family, Social Affairs and Equal Opportunities (MDDSZ) (Schemes: 17, 19, 21, 22, 23, 26, 30)
- Ministry of Health (Scheme 4)
- Mutual Fund for Craftsmen and Entrepreneurs (Scheme 18)
- Ministry of Education, Science and Sport (Scheme 20)
- Employment Service of Slovenia (Schemes: 24, 25)
- Government Office for Immigration and Refugees (Scheme 27)
- Insurance company Triglav (Scheme 29)
- Insurance company Vzajemna (Scheme 2)
- Insurance company Generali (Scheme 3)
- Final accounts of central government budget and municipal budgets (Schemes: 23, 31, 32)
- Source SURS; Labour cost survey (Scheme 28)

6 DEFINITIONS

Social protection by ESSPROS methodology encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a

simultaneous reciprocal nor an individual arrangement involved. The risks or needs (functions) are Sickness/health care, Disability, Old age, Survivors, Family/Children, Unemployment, Housing, and Social exclusion not elsewhere classified.

A social protection scheme is a system of rules maintained by one or more institutional units in order to provide and finance social protection. Social protection schemes are defined in section 3 (Unit described by the published data).

Expenditure of social protection schemes

In the ESSPROS methodology, we distinguish four basic **types of expenditure**. The first and the most important category is **social benefits**, which are transfers to beneficiaries in the form of cash or goods and services. The second category of expenditure is the **administrative costs** borne by the scheme. The last two categories refer to **transfers to other schemes** and to **other expenditures**.

Administrative costs are costs associated with the management and administration of a particular social protection scheme such as: for the costs of registering beneficiaries, collecting contributions, administration in relation to assigned benefits, financial management, etc.

The most important category of expenditure on social protection schemes is **social benefits**, which are by definition transfers in cash or in kind and are allocated to households or individuals under social protection schemes in order to alleviate the burden when certain risks or needs arise. Social benefits are classified by functions of social protection, by type (in cash: periodic or one-off, in kind and in the form of redirected social contributions) and by means of the means test.

According to ESSPROS, the following **social benefits** are included in individual social protection functions:

- **Sickness / health care** - benefits in connection with physical or mental illness and health care intended to maintain, restore or improve the health of the people protected, irrespective of the origin of the disorder (above all compensation in the case of sick leave, health care and pharmaceutical products).
- **Disability** - benefits in connection with the inability of physically or mentally disabled people to engage in economic and social activities (above all disability pensions to persons under a defined age and provision of goods and services to the disabled).
- **Old age** - benefits in connection with old age (above all old-age pensions, disability pensions to persons above a defined age and provisions of goods and services to the elderly).
- **Survivors** - benefits in connection with the death of a family member (above all survivors' pensions to persons under and above a defined age).

- **Family / children** - benefits in connection with the costs of pregnancy, childbirth and adoption, bringing up children and caring for other family members (above all maternity leave compensation and child allowance).

- **Unemployment** - benefits in connection with unemployment (above all unemployment benefits and vocational training).

- **Housing** - benefits in connection with the costs of housing.

- **Social exclusion not elsewhere classified** - benefits intended to poor people and other socially excluded groups to combat social exclusion where they don't belong to other functions.

Transfers to other schemes are non-refundable payments to other social protection schemes.

Certain categories of benefits in the areas of disability and old age relate to benefits for persons below and above a certain age. In all schemes, the age limit is 65 for men and 60 for women.

The value of all expenditures of an individual social protection scheme is the sum of all forms of expenditure for this scheme.

Receipts of social protection schemes

The ESSPROS Core system classifies receipts of social protection schemes by type and origin. The type indicates the nature of, or reason for, a payment; the origin specifies the institutional sector from which the payment is received.

The main categories of **sources of funding** for social protection schemes are **social contributions**, **government contributions**, **transfers from other schemes** and **other sources**.

Social contributions means the costs incurred by employers on behalf of their employees or by protected persons to secure entitlement to social benefits.

Employers' social contributions are the costs incurred by employers to secure entitlement to social benefits for their employees, former employees and their dependants.

Social contributions paid by protected persons are payments made by individuals and households to social protection schemes in order to obtain or keep the right to receive social benefits. They are paid by employees, by self-employed persons or by pensioners and other persons.

General government contributions consist of the cost to general government of running government - controlled non-contributory schemes and financial support provided by general government to other resident social protection schemes.

Government contributions include *current and capital transfers* received by a given institutional unit as the manager of a social security scheme.

The category of **General government contributions** is broken down into *earmarked taxes* and *general revenue*. *Earmarked taxes* are the proceeds from taxes and levies which, by law, can be used only to finance social protection. The essential difference between earmarked taxes and compulsory social contributions is that social contributions are paid to secure personal entitlement to the benefits, whereas earmarked taxes secure no such rights. *General revenue* are general government contributions from sources other than earmarked taxes.

Other receipts are various current and capital receipts, which can be income from property or other. *Property income* is the income receivable by the owner of a financial asset or a tangible non-produced asset in turn for providing funds to, or putting the tangible non-produced asset at the disposal of, another institutional unit.

The value of all sources of funding is the sum of all types of sources of this scheme.

Financial operations also take place between social protection schemes. The main transactions are transfers between schemes and re-routed social contributions, which are recorded as expenditure of one scheme and as a source of funding for another scheme. These operations are not taken into account in the totals of expenditure and receipts of all schemes.

7 EXPLANATIONS

7.1 CLASSIFICATIONS

In accordance with the ESSPROS methodological manual, the following classifications are used:

- Classification of receipts of social protection schemes
- Classification of institutional sectors from which receipts of social protection schemes originate
- Classification of expenditure of social protection schemes
- Classification of the functions of social protection
- Classification of social benefits by type
- Classification of social benefits by functions (Sickness/health care, Old age, Disability, etc.)

7.2 DATA PROCESSING

DATA EDITING

Data from various administrative and statistical sources are processed in accordance with the ESSPROS methodology. The data are statistically edited using appropriate systematic corrections. More on statistical editing of data is available in the general methodological explanation [Statistical Data Editing](#).

We link administrative sources on the basis of identification numbers. Data are edited at the macro level (using the aggregate control method). Errors detected at the macro level are corrected at the micro level. The reference surveys are the basic aggregates of the general government sector (NR-DRŽAVA-L).

An integral part of data preparation are the procedures for assessing the compliance of data with aggregates of national accounts (general government expenditure by purpose: for social protection and health care) and also over time. Analyses of similar international data are also important. Data verification is an essential part of data preparation.

WEIGHTING

Weighting was not performed.

SEASONAL ADJUSTMENT

Seasonal adjustment procedures are not applicable.

7.3 INDICES

Indices are not published.

7.4 PRECISION

The precision is not calculated.

7.5 OTHER EXPLANATIONS

In the case of cash benefits, most of the data were obtained from individual data - prepared in such a way that they covered all payments for an individual year. When capturing data and classifying them, we tried to adapt as much as possible to the requirements of the methodology. We followed the recommendations of the methodology that more attention should be paid to schemes that provide significant assistance in terms of aggregate value, and when there are no adequate data sources, it is desirable to estimate the values of schemes (e.g. by comparisons with similar schemes). Data on employer-funded social benefits are rough estimates based on the Labour Cost Survey. The employers' scheme therefore shows estimates of expenditure on wage compensation for absence from work in the case of illness, occupational disease or accident at work, on wage compensation due to marriage, birth of a child, death, relocation, etc., on wage compensation for waiting time, work at home and during the notice period, on severance pay and additional length of service, and on solidarity benefits.

8 PUBLISHING

SiStatDatabase:Demography and social statistics –Social protection–Expenditure and receipts of social protection schemes ;Expenditure for social protection schemes and Receipts of social protection schemes.

- First Release (Social Protection – Expenditure and receipts of social protection schemes): Expenditure and receipts of social protection schemes and pension beneficiaries
- Electronic Release (Social Protection – Expenditure and receipts of social protection schemes): Expenditure and receipts of social protection schemes, detailed data
- [Statobook - Statistical Overview of Slovenia](#)
- Eurostat, Statistical Office of the EU
- Organisation for Economic Co-operation and Development (OECD)

9 REVISION OF THE DATA

9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

The published data on expenditure and sources of social protection financing have neither the status of provisional nor final data, as they are subject to regular annual revision either due to changes in the input data themselves or due to coordination with Eurostat in the validation process.

A methodological explanation on data revision is available on the website https://www.stat.si/StatWeb/File/DocSysFile/5299/General_ME_Revision_of_statistical_data.pdf

9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME

There were no breaks in the time series, so all time points are comparable.

10 OTHER METHODOLOGICAL MATERIALS

Methodological materials on SURS's website are available at <https://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports>.

- Questionnaire:
 - SURS does not collect data for this survey through a questionnaire.

The Quality Report is available [on the website of the European Statistical Office](#).