



METHODOLOGICAL EXPLANATION

EARNINGS OF PERSONS IN PAID EMPLOYMENT BY LEGAL PERSONS

This methodological explanation relates to the data releases:

- Average monthly earnings, Slovenia, monthly (First Release)
- Average monthly earnings, detailed data, Slovenia, monthly (Electronic Release)

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Prepared by Alenka Vrh

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1 PURPOSE

The purpose of the monthly statistical survey on Earnings of Persons in Paid Employment by Legal Persons is to provide an insight into the amount and changes of the average monthly earnings of persons employed by legal persons in the Republic of Slovenia.

The key statistics of the survey are average monthly gross earnings, average monthly net earnings, the index of average gross/net earnings – »current month compared to the previous month«, the index of average gross/net earnings – »current month compared to the same month of the previous year«, and the number of persons in paid employment who received earnings.

2 LEGAL BASIS

- [Annual Programme of Statistical Surveys \(LPSR\)](#) (only in Slovene)
- [National Statistics Act](#) (OJ RS, No. 45/95 and 9/01)
- Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics (CELEX: 31998R1165)

Data are not internationally comparable.

3 UNIT DESCRIBED BY THE PUBLISHED DATA

The unit described by the published data is the monthly gross earnings by activity, institutional sector, statistical region, administrative unit and municipality.

4 SELECTION OF OBSERVATION UNIT

Observation units are legal persons of the public and private sectors or their units registered for performing activity in the Republic of Slovenia.

The monthly statistical survey on Earnings of Persons in Paid Employment by Legal Persons covers persons in paid employment who signed the employment contracts (contract work is not taken into consideration). All persons in paid employment, employed for fixed or unspecified period of time, irrespective of whether they work full time or part time, are taken into consideration.

Individual private entrepreneurs and persons employed by them, own account workers, workers in employment promotion schemes, posted workers and farmers are not covered.

5 SOURCES AND METHODS OF DATA COLLECTION

We collect data with the survey on Earnings of Persons in Paid Employment by Legal Persons (ZAP/M) via the:

- Web questionnaire Earnings of Persons in Paid Employment by Legal Persons (ZAP/M); for legal persons that are not budget users;
- Administrative source of the Ministry of Public Administration, i.e. Information System for the Transmission and Analysis of Data on Earnings, Other Payments and the Number of Employees in the Public Sector (ISPAP); for budget users.

The data are collected monthly by the Agency of the Republic of Slovenia for Public Legal Records and Related Services. The Agency sends the collected data monthly to the Statistical Office of the Republic of Slovenia.

6 DEFINITIONS

Gross earnings are payments paid out to persons in paid employment for working full time, part time or overtime. They also cover all other payments set out on this basis: income for overtime, supplements for annual leave, paid leave up to 7 days, national holidays, sickness pay for up to 30 days, job training, slowdown through no fault of the persons in paid employment, paid absence and similar, earnings and supplements of earnings for previous months, income for past work, incentive bonuses, awards, premiums, and bonuses after periodic and final accounts. Gross earnings include regular, overdue and extra payments.

Gross earnings for the duration of the COVID-19 epidemic also include emergency relief compensation in line with ZIUZEOP (OJ RS, No. 49/20) paid by the employers, but they do not include emergency relief compensation in line with ZIUPOPDVE (OJ RS, No. 203/20) and ZDUOP (OJ RS, No. 15/21) because it is not paid by the employers.

Gross earnings do not include supplements of earnings which are not against the account of the legal person (reimbursements): maternity leave, sick leave over 30 days, disability benefits, traineeship paid for by the Employment Service of Slovenia, performing of civic duties, supplements for military exercises, national guard, and wage compensation covered by the government in the event of intervention measures, for example in line with ZIUPPP (OJ RS, No. 36/20), ZIUZEOP (OJ RS, No. 49/20), ZIUZEOP-A (OJ RS, No. 61/20), ZIUOOPE (OJ RS, No. 80/20). They also do not cover payments against the account of material costs, such as reimbursement of expenses for coming to work and leaving it, snack/lunch money, reimbursement of travel expenses for business trips, fieldwork bonuses, daily allowances, overnight stays, royalties, contract work, etc., payments from the Common Consumption Fund (annual leave reimbursement, jubilee rewards, indemnity money, etc.), and earnings paid out to persons in paid employment as ownership shares. Premiums for voluntary supplementary pension insurance paid by the employers for their employees are also not taken into account. Also not covered is income from work and from reimbursement

connected with work which exceeds the amount prescribed by the Government for this purpose and from which social security contributions have to be paid. Also not covered are earnings of workers in employment promotion schemes.

Net earnings are gross earnings less social security contributions and advance on income tax.

Net earnings for the duration of the COVID-19 epidemic also include emergency relief compensation in line with ZIUZEOP (OJ RS, No. 49/20) paid by the employers, but they do not include emergency relief compensation in line with ZIUPOPDVE (OJ RS, No. 203/20) and ZDUOP (OJ RS, No. 15/21) because it is not paid by the employers.

Overdue payments are gross earnings and supplements of gross earnings for previous months, but not more than for 12 previous months, and extra payments such as 13th month payments, Christmas bonuses, performance bonuses, etc.

Extra payments (13th month payments, Christmas bonuses, performance bonuses, etc.) are other payments paid in addition to the regular monthly earnings which are defined in the collective agreement or internal documents of the legal person.

Gross earnings for overtime include the basic amount and the overtime bonus.

The number of paid hours is the number of hours for which persons in paid employment received earnings from the legal person. Paid hours include hours worked (hours worked during the regular working hours and overtime), and hours not worked (leave, holidays, sick leave which is not reimbursed (i.e. up to 30 days), other paid hours not worked). Paid hours do not include hours of workers in employment promotion schemes, reimbursed hours (maternity leave, reimbursed sick leave, reimbursed hours of trainees and the disabled, and reimbursed hours for the duration of the COVID-19 epidemic).

The number of paid overtime work hours is the number of hours for which persons in paid employment received earnings for overtime work. On-call time is counted only if it is outside the regular hours.

The number of persons in paid employment who received earnings is the number of persons in paid employment who received regular, overdue or extra payments paid by the employers. In case a person in paid employment receives two or all three payments simultaneously, this counts only as one person. If a person in paid employment was temporarily laid-off and did not receive earnings or non-refunded wage compensation from the employers, they are not counted as a person in paid employment who received earnings.

The number of persons in paid employment who received earnings for overtime work is the number of persons who have received payment for working longer than the usual working hours.

The number of persons in paid employment who received earnings for overdue payments is the number of persons in paid employment who received overdue or extra payments.

The number of persons employed who received earnings at the level of the minimum wage is the number of persons who received earnings for work done in the amount of the minimum wage that is stipulated by law or some other legal act if they work for an employer in the Republic of Slovenia full time or in the amount of the pro-rata part of the minimum wage if they work part time.

The minimum wage includes all wage elements stipulated by the Employment Relationship Act, i.e. basic wage of a worker for a specific month, job performance bonus and various other bonuses except the following:

- bonus for overtime work
- bonus for night work
- bonus for work on Sunday
- bonus for work on other days designated by law as official holidays or work-free days

Due to a change in the definition of the minimum wage (in line with the Act Amending the Minimum Wage Act of 1 January 2020), we cannot provide the appropriate quality of the data on the estimated number of persons who are employed by legal persons that are not budget users and who received earnings at the level of the minimum wage; therefore, we do not publish them from January 2020 onwards.

Data on the number of persons employed by budget users, who received the difference to the minimum wage, are estimated on the basis of the data reported by budget users in the Information System for the Transmission and Analysis of Data on Earnings, Other Payments and the Number of Employees in the Public Sector (ISPAP) under the type of payment code A020 (difference to the minimum wage). Consequently, these data are not completely methodologically harmonized with the data on the estimated number of persons employed by legal persons that are not budget users, who received earnings at the level of the minimum wage.

Average monthly earnings are average amounts received by the persons in paid employment by legal persons for the related month.

The index of nominal earnings represents the ratio between average monthly earnings in the reference period (month, average of months of the current year) and average monthly earnings in the period which we want to compare (previous month, the same month of the previous year, December of the previous year, average of the same months of the previous year, the last 12 months, etc.).

The index of real earnings represents the ratio between the index of nominal earnings and the consumer prices index for the same period.

Public and private sectors are determined according to the Standard Classification of Institutional Sectors, which is harmonized with the ESA transmission program. According to this classification, the public sector is composed of:

- general government (S.13),
- public corporations: public non-financial corporations (S.11001), central bank (S.121), public deposit-taking corporations except the central bank (S.12201), public MMF (S.12301), public non-MMF investment funds (S.12401), other public financial intermediaries, except insurance corporations and pension funds (S.12501), public financial auxiliaries (S.12601), public captive financial institutions and money lenders (S.12701), public insurance corporations (S.12801) and public pension funds (S.12901).

General government consists of all institutional units which are under public control and which cover less than 50% of production costs by market sales. Those are units that are included in public finances – central government budget, local government budgets and social security funds; also public institutes, public agencies and public funds if they cover less than 50% of production costs by market sales, and also some other units.

Public corporations are corporations under control by units of the general government sector. The basic criterion for determining control is owning more than half of the voting shares, meaning that a unit is under public control if general government or corporations under public control are the majority equity holder in that unit. Other criteria are: control of the board or other management body, control of appointment and discharging of key staff, control of sub-boards in the corporation, the option of buying the majority equity, the control of the prevailing buyer, control concerning borrowing, etc.

Private sector consists of all other institutional units which are not part of the public sector.

7 EXPLANATIONS

7.1 CLASSIFICATIONS

SKD – Standard Classification of Activities. For more, see: [Economic classifications](#).

SKIS – Standard Classification of Institutional Sectors. For more, see: [Economic classifications](#).

NUTS – Nomenclature of Territorial Units for Statistics and SKTE – Standard Classification of Territorial Units. For more, see: [Territorial code lists](#).

7.2 DATA PROCESSING

STATISTICAL DATA EDITING

Data were statistically edited with the combination of systematic corrections and imputation procedures. The following imputation methods were used: logical imputations, hot-deck imputations, historical imputations.

For more, see the general methodological explanations [Statistical data editing](#).

7.3 OTHER EXPLANATIONS

Letter »z« is used if the data are suppressed to protect the reporting unit. The data that are suppressed for confidentiality reasons are not published but replaced with letter "z". We use sign »-« when observation does not exist.

7.4 PRECISION

In statistical surveys different kinds of errors can occur (e.g. sampling error, non-response error, measurement error) influencing the reliability and accuracy of the statistical results. Errors deriving from the random mechanisms determine the precision and consequently the reliability of the statistical estimates. The precision of the statistical estimate is estimated by calculating the standard error (SE). The Statistical Office of the Republic of Slovenia draws attention to less reliable estimates by flagging them with a special sign.

If the table contains estimated population totals of (continuous) variables, estimated averages of continuous variables or estimated ratios of population totals of (continuous) variables, publishing limitations are determined by the relative standard errors or the coefficients of variation (CV). In such cases it holds:

If the coefficient of variation (CV) is

- 10% or below ($CV \leq 10\%$), the estimate is reliable enough and is published without limitations;
- between 10% and up to 30% ($10\% < CV \leq 30\%$), the estimate is less reliable and is flagged for caution with letter M;
- over 30% ($CV > 30\%$), the estimate is too unreliable to be published and therefore suppressed for use by letter N.

If the table contains estimated proportions of units with a certain characteristic (expressed in percentages), publishing limitations are determined by the standard errors of the estimates (SE) of the proportions. In such cases it holds:

If the standard error (SE) of the estimate of a proportion is

- 0.05 or below ($SE \leq 0.05$), the estimate is reliable enough and is published without limitations;
- between 0.05 and up to 0.15 ($0.05 < SE \leq 0.15$), the estimate is less reliable and is flagged for caution with letter M;
- over 0.15 ($SE > 0.15$), the estimate is too unreliable to be published and therefore suppressed for use by letter N.

For more, see the general methodological explanations [Precision of statistical estimates](#).

8 PUBLISHING

Data are published:

Monthly:

- SiStat Database: Demography and social statistics – Labour Market – Earnings and Labour Costs: [Average Monthly Earnings](#). Absolute data and indices are published. The data are published according to the Standard Classification of Activities SKD at the 5-digit level, the Nomenclature of Territorial Units for Statistics NUTS at NUTS-3 level (statistical regions), and the Standard Classification of Territorial Units SKTE (LAU-1 administrative units and LAU-2 municipalities).
- First Release (Earnings and Labour Cost, Earnings): »Average monthly earnings, Slovenia, monthly«.
- Electronic Release (Earnings and Labour Cost, Earnings): »Average monthly earnings, detailed data, Slovenia, monthly«.
- Statøbook.

9 REVISION OF THE DATA

9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

In line with the strategy of publishing short-term indicators at SURS, in publishing data on monthly earnings the institute of provisional data is used. This means that we publish data on average monthly earnings in a First Release on the 15th of the month (or the first working day after the 15th if the 15th is a Saturday, a Sunday or a holiday) as provisional. More detailed data are published in the SiStat Database on the 25th of the month (or the first working day after the 25th if the 25th is a Saturday, a Sunday or a holiday) as final.

Data revision is planned. Due to the needs of users for timely information, data are published that meet the criteria of the quality of official statistical data but do not meet the quality that can be met with complete coverage. Data are revised when recent, completed and more quality data respectively can significantly contribute to the quality of data-based decision-making and when due to publication deadlines determined by the European legislation less accurate data are published on the basis of incomplete coverage.

9.2 BREAKS IN TIME SERIES

A break in time series happened with the data for November 2015; the reason for the break was the change in the data sources. For data on earnings for budget users the data source became the administrative source of the Ministry of Public Administration i.e. the Information System for the Transmission and Analysis of Data on Earnings, Other Payments and the Number of Employees in the Public Sector (ISPAP).

A break in time series happened because of measures related to the COVID-19 epidemic.

The drop in average earnings for March 2020 (compared to earnings for February 2020) was largely the result of the government payment of wage compensation for temporarily laid-off employees. According to the methodology of the statistical survey Earnings of Persons in Paid Employment by Legal Persons, this compensation is not included in gross and net earnings since earnings cover only that part of payments that is paid by the employers. Because in March 2020 most of the persons in paid employment who were temporarily laid-off were laid-off in the second half of the month, the number of persons in paid employment who received earnings did not change much compared to the previous month. However, due to the government payment of wage compensation for temporarily laid-off employees, the payment of earnings and/or wage compensation paid by the employers decreased, which resulted in lower average earnings per person in paid employment compared to earnings for February 2020.

The increase in average earnings for April 2020 (compared to earnings for March 2020) was largely the result of emergency relief compensation in line with the Intervention Measures Act and/or collective agreements in the whole month of April 2020. In April 2020 also most of the persons in paid employment who were temporarily laid-off were laid-off the whole month (in March 2020 only in the second half of the month), which resulted in the drop of the number of persons in paid employment who received earnings or non-refunded wage compensation paid by the employers and in the increase in average gross and net earnings (compared to earnings for March 2020).

The drop in average earnings for May 2020 (compared to earnings for April 2020) was largely due to the fact that some employees who were temporarily laid-off were laid-off only part of May 2020, which resulted in the increase in the number of persons in paid employment who received earnings or non-refunded wage compensation paid by the employers and in the decrease in average gross and net earnings (compared to earnings for April 2020).

The drop in average earnings for June 2020 (compared to earnings for May 2020) was largely the result of termination of emergency relief compensation in line with the Intervention Measures Act and/or collective agreements for working in time of the COVID-19 epidemic, and partly a result of the introduction of a subsidy for part-time work (this led to an increase in the number of employees who worked part-time).

Average earnings for July 2020 did not change significantly compared to earnings for June 2020 also due to the fact that the same measures related to the COVID-19 epidemic (subsidy for part-time work and temporary lay-off benefit) applied in both periods.

Methodological explanation on revision of statistical data is available on <http://www.stat.si/dokument/5299/RevisionOfStatisticalDataMEgeneral.pdf>.

10 OTHER METHODOLOGICAL MATERIALS

- Questionnaire:
 - Plače zaposlenih pri pravnih osebah (ZAP/M),
(only in Slovene)

- Standard quality report for the surveys
 - Mesečno poročilo o izplačanih plačah pri pravnih osebah (Obrazec 1-ZAP/M),
(only in Slovene)

- Annual quality report for the surveys
 - Mesečno poročilo o izplačanih plačah pri pravnih osebah (Obrazec 1-ZAP/M),
(only in Slovene)

theme: Earnings and Labour Cost, sub-theme: Earnings.

<http://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports>

- Navodilo o vsebini in načinu sporočanja podatkov za potrebe statističnega raziskovanja Plače zaposlenih pri pravnih osebah (ZAP/M)
(only in Slovene)

http://www.stat.si/StatWeb/File/DocSysFile/9839/Navodilo_o_vsebini_in_nacinu_sporocanja_podatkov.pdf