



# 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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## 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 – »the current month in view of the previous month«, the index of average gross/net earnings – »the current month in view of 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 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, etc. 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 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.

**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 13<sup>th</sup> month payments, Christmas bonuses, performance bonuses, etc.

**Extra payments (13<sup>th</sup> 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).

**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. In case a person in paid employment receives two or all three payments simultaneously, this counts only as one person.

**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

**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.

## 8 PUBLISHING

Data are published:

#### Monthly:

- SI-STAT 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 15<sup>th</sup> of the month (or the first working day after the 15<sup>th</sup> if the 15<sup>th</sup> is a Saturday, a Sunday or a holiday) as provisional. More detailed data are published in the SI-STAT Database on the 25<sup>th</sup> of the month (or the first working day after the 25<sup>th</sup> if the 25<sup>th</sup> 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).

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