



## METHODOLOGICAL EXPLANATION

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# LABOUR COSTS BY SOCIO-ECONOMIC CHARACTERISTICS OF EMPLOYEES AND SELF-EMPLOYED PERSONS

This methodological explanation relates to the data releases:

Labour costs by socio-economic characteristics of employees and self-employed persons, Slovenia, annually (First release)



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## 1 PURPOSE

The purpose of the statistical survey is to present data on labour costs and employment by socio-economic characteristics of employees and self-employed persons in accordance with the definitions of national accounts. The main statistics is employment (in number of persons) and labour costs (value) by activity and by different socio-economic characteristics of employees and self-employed persons.

## 2 LEGAL FRAMEWORK

- [Annual Programme of Statistical Surveys \(LPSR\)](#)
- [National Statistics Act](#) (OJ RS, No. 45/95 and 9/01)

## 3 UNIT DESCRIBED BY THE PUBLISHED DATA

The unit described by the published data is a person and labour costs presented by socio-economic characteristics: gender, age, educational attainment, activity (Standard Classification of Activities; SKD 2008) and employment status (employees, self-employed).

## 4 SELECTION OF OBSERVATION UNIT

The calculation covers all employed or self-employed persons who perform economic activity on the territory of the republic of Slovenia in activities that are in line with the concept of production by the 2008 System of National Accounts (SNA 2008) and the 2010 European System of Accounts (ESA 2010).

Coverage is full.

## 5 SOURCES AND METHODS OF DATA COLLECTION

Data are collected annually.

All activities are carried out within the framework of the annual survey Labour costs by socio-economic characteristics (NR-STR\_DELA). Data from the following existing statistical sources are used for the calculation:

- Statistical Register of Employment (SRDAP) maintained by SURS.
- [National accounts data](#) on employment, compensation of employees and mixed income of self-employed, which can be obtained from the SiStat Database.

The main administrative data source used in this survey is annual income tax declarations of individuals by the Financial Administration of the Republic of Slovenia (FURS), which are available on web pages of FURS for income tax declarations.

Additional administrative data sources include:

- Slovenian Business Register ([PRS](#)), maintained by the Public Payments Administration of the Republic of Slovenia
- Annual accounting statements (income statement and balance sheet) by the Public Payments Administration of the Republic of Slovenia; more information is available on its website
- Tax declarations from the production activities of households by the Financial Administration of the Republic of Slovenia (FURS)

Within annual income tax declarations and the data from Statistical Register of Employment, also data on gender, education, and age are included. On this basis national accounts data on employment, compensation of employees and mixed income of self-employed are sorted by different socio-economic characteristics.

## 6 DEFINITIONS

**Employment** covers all employees and self-employed persons (including unpaid family workers in agriculture). Employment in national accounts also covers student work, employment in transport by sea on Slovenian ships, diplomatic and consular representatives abroad, enterprises without employment, etc. From 2002 on, employment includes also persons working under special type of contract.

**Employees** are employed by:

- Legal persons (enterprises, companies, institutions or other organisations) or subsidiaries of foreign enterprises, elected or appointed holders of public functions, owners of enterprises who run them personally and are not insured elsewhere
- Self-employed persons, i.e. own account workers performing their activity as the only or principal occupation, and by self-employed using supplementary work of other people

**Self-employed** are:

- Persons performing economic or gainful activity (sole proprietors)
- Own account workers performing their activity as the only or principal occupation (e.g. architects, lawyers, doctors, dentists, independent researchers, artists, sportsmen, trainers, etc.)
- Farmers and unpaid family workers
- Top athletes

**Labour costs** are defined as employers expenditure that is related to employing personnel. Labour costs comprise wages in cash and in kind, social security contributions and other work-related costs.

**Labour costs for employees** are compensation of employees. Compensation of employees covers gross wages, gross wage compensations (sick benefits up to 20 days and compensation of wages during annual vacation, holidays, etc.), personal allowances, and employers social contributions. Employers social contributions include compulsory and voluntary social contributions together with payments during the absence from work due to sickness, accidents, etc., paid by employer. Personal allowances comprise expenses for food, transport to and from work and reimbursement for annual vacation, jubilee awards, severance pays, bonuses, cash reimbursements for expenses, goods for employees from restaurants and shops and rewards derived from business success. Gross wages and salaries include tips in restaurants and personal services as well as estimation of private use of business cars.

**Labour costs for self-employed** are compensation for their work and represent a part of their mixed income. Mixed income comprises compensation for the work of the self-employed and their income as the owner (“operating surplus”). The part of mixed income that represents labour costs is estimated on the basis of the assumption that the labour costs of the self-employed are equal to the labour costs of their employees. In other words, labour costs of the self-employed are equal to the labour costs that they might have as employers for one employee on condition that the self-employed and the employee have the same socio-economic characteristics.

**Educational attainment** is the highest publicly verified education that a person achieves by successfully finishing a verified educational or study programme. According to educational attainment the persons are grouped into 3 groups. In the first group there are persons with finished or unfinished elementary school, in the second group persons with finished upper secondary programmes, and in the third group persons with finished tertiary education. This classification is compatible with the International Standard Classification of Education 1997 (ISCED 1997), which classifies educational programmes into 7 levels. The first group of our classification is compatible with the ISCED levels 0–2, the second group is compatible with the ISCED levels 3–4 and the third group is compatible with the ISCED levels 5–6.

**Age groups** are created by persons completed age at the time of observation. The first age group consists of persons aged 15–29 years, the second age group consists of persons aged 30–49 years and the third group consists of persons aged 50 years and over.

## **7 EXPLANATIONS**

### **7.1 CLASSIFICATIONS**

Data on education are grouped into classes according to [International Standard Classification of Education; ISCED 1997](#) and classified by activities according to [Standard Classification of Activities \(SKD 2008\)](#).

Data concerning employees and compensation of employees are aggregated at a more detailed level of activity (69 activities), whereas data on self-employed and total employment are at a less detailed level (14 activities). The reasons for such aggregation and publishing are poor representation of the self-employed in certain activities and data protection.

### **7.2 DATA PROCESSING**

#### **DATA EDITING**

Data were processed with a combination of systematic corrections and imputation procedures. The mean imputation method was used for certain categories of self-employed persons (farmers, unpaid family workers and students) and where there were no data in the source. For more information see the general methodological explanations on [Statistical data editing](#).

#### **WEIGHTING**

Weighting was not performed.

#### **SEASONAL ADJUSTMENT**

Seasonal adjustment is not applicable.

### **7.3 INDICES**

Indices are not published.

### **7.4 PRECISION**

Precision is not calculated.

## 7.5 OTHER EXPLANATIONS

Data protection is a regular practice of the Statistical Office of the Republic of Slovenia to ensure statistical confidentiality. Data from which it would be possible to identify a person or a business entity are substituted with the letter “z” and considered in the total.

## 8 PUBLISHING

- SiStat Database: [GDP and national accounts](#) - GDP and economic growth. Data are published in form of absolute values (for employees and self-employed persons values are in number of persons and for labour costs they are in EUR), for the year before. They are sorted by activities (SKD 2008), gender, age classes and education (ISCED 1997).
- First release (Earnings and labour costs) Labour costs by socio-economic characteristics of employees and self-employed persons, Slovenia

## 9 REVISION OF THE DATA

### 9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

Provisional data are not disseminated. Only final data are published.

Data revisions include revisions of national accounts data. When national accounts data are changed, data on labour costs are harmonized with them. Data revisions are possible due to changes in the methodology or sources used.

### 9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME

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

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

## 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 by using a questionnaire.

Methodological explanations:

- [Persons in employment](#)

theme: Labour market, sub-theme: Employees, self-employed and unemployed

- [Gross domestic product, other aggregates of national accounts and employment](#)

theme: GDP and national accounts, sub-theme: GDP and economic growth