



METHODOLOGICAL EXPLANATION

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LABOUR COST INDEX

This methodological explanation relates to the data releases:

- Labour cost index, Slovenia, quarterly (First Release)



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1 PURPOSE

The purpose of the statistical survey is to show the quarterly movement of labour costs per hour worked. Key variables are:

- total labour cost index per hour worked,
- earnings index per hour worked,
- other labour cost index per hour worked,
- labour costs index without bonuses per hour worked.

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 450/2003 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 February 2003 concerning the labour cost index (Celex: [32003R0450](#)),
- COMMISSION REGULATION (EC) No 1216/2003 of 7 July 2003 implementing Regulation (EC) No 450/2003 of the European Parliament and of the Council concerning the labour cost index (Celex: [32003R1216](#)),
- Corrigendum to Commission Regulation (EC) No 1216/2003 of 7 July 2003 implementing Regulation (EC) No 450/2003 of the European Parliament and of the Council concerning the labour cost index (Celex: [32003R1216R\(01\)](#)),
- COMMISSION REGULATION (EC) No 224/2007 of 1 March 2007 amending Regulation (EC) No 1216/2003 as regards the economic activities covered by the labour cost index (Celex: [32007R0224](#)).

3 UNIT DESCRIBED BY THE PUBLISHED DATA

The unit described by the published data is labour cost per hour worked of persons in paid employment who signed employment contracts (contract work or royalty are not taken into consideration).

4 SELECTION OF OBSERVATION UNIT

Observation units are business entities or their units registered for performing activities on the territory of the Republic of Slovenia.

Observation units are legal persons of public and private sector or their units registered for performing activity in the Republic of Slovenia, where 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. Labour cost of registered natural persons and persons employed

by them, workers in employment promotion schemes, posted workers and farmers are not taken into consideration.

Approximately 60,000 observed units are monthly included in the survey.

5 SOURCES AND METHODS OF DATA COLLECTION

Data are collected daily and monthly but calculated quarterly.

Only existing sources are used for calculating the labour costs index: the statistical surveys Earnings of Persons in Paid Employment by Legal Persons (ZAP/M), the Labour Force Survey (ANP), the Labour Costs Survey (ZAP-RSD) and the Hours Worked (ZAP-DELURE) – source: the Statistical Office of the Republic of Slovenia.

Data on payments of general government revenues on certain accounts (payroll tax (eliminated on 1 January 2009), employer's contributions for employment, for maternity care, for health insurance for work-related injuries and occupational disease and for pension and disability insurance) are also used – source: Public Payments Administration of the Republic of Slovenia.

6 DEFINITIONS

Labour costs index include employees incomes, employers social security payments, payroll taxes (eliminated on 1 January 2009) and subsidies, and not include vocational training costs and other labour costs (recruitment costs and costs for clothing).

Employees' incomes include earnings and compensation of earnings (basic gross earnings with supplements, individual performance bonuses, bonuses linked to collective performance, compensation of earnings for annual leave, in case of sickness and other compensation of earnings).

Employers social security payments include employers statutory social security contributions (employers pension and disability insurance contributions, health care contributions, employment contributions, injuries at work contributions and maternity leave contributions).

7 EXPLANATIONS

7.1 CLASSIFICATIONS

Since 2008 data have been published according to the Standard Classification of Activities (SKD 2008); the data are shown at the section level.

More information of classifications is available on <http://www.stat.si/StatWeb/en/Methods/Classifications>

7.2 DATA PROCESSING

DATA EDITING

Data were edited by using appropriate systematic and individual corrections. The hot-deck imputation method was used.

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

WEIGHTING

Weighting was not performed.

SEASONAL ADJUSTMENT

For seasonal adjustment of time series we use the TRAMO/SEATS method. A time series model is set up, and it is revised in detail and corrected about once a year. By using the model, the time series is decomposed into:

- the seasonal component (which consists of the seasonal effects and the calendar effects; the calendar effects are composed of the working day effect, the leap-year effect, the holiday effect and the Easter effect),
- the irregular component (which consists of random fluctuations and some outliers).

Seasonally adjusted data are original data from which the seasonal and calendar effects are eliminated.

For more, see the general methodological explanations [Seasonal adjustment of time series](#).

7.3 INDICES

The presented results are calculated on the basis of the chain Laspeyres index to the base year 2020.

For more, see the general methodological explanations [Index numbers](#).

7.4 PRECISION

The precision is not calculated.

7.5 OTHER EXPLANATIONS

8 PUBLISHING

- SiStat Database: [Earnings and Labour Costs](#) – Labour Costs: Labour cost indices by sections of activities (quarter / average of the year 2020). Data are published as nominal indices, seasonal adjusted indices and working day adjusted indices, all at the level of sections of activities.
- First Release (Earnings and Labour Costs, Labour Costs): »Labour Cost Index«
- EUROSTAT (Statistical Office of the European Union), [Labour Costs](#)

9 REVISION OF THE DATA

9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

Final data are expected to be published after the planned revision, probably by the end of 2024.

Publishing of provisional and final data is planned. Due to the needs of users for timely information, provisional 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, more complete and better data can significantly contribute to the quality of data-based decision-making.

9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME

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

10 OTHER METHODOLOGICAL MATERIALS

Methodological materials on SURSs 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.
- Quality report for the survey:

- Labour Cost Index (ZAP-ISD)

Theme: Earnings and Labour Costs, SubTheme: Labour Costs

- Methodological explanations:

- Labour Cost Survey

Theme: Earnings and Labour Costs, SubTheme: Labour Costs

- Reference Metadata in Euro SDMX Metadata Structure: (ESMS): [Labour Costs](#)
- Methodological Explanations [Earnings of Persons in Paid Employment by Legal Persons](#)