



METHODOLOGICAL EXPLANATION

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LABOUR COSTS – ANNUAL ESTIMATES

This methodological explanation relates to the data releases:

- Labour Costs – annual estimates, Slovenia, yearly (First Release)



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1 PURPOSE

The purpose of the statistical survey is as accurate annual estimates of labour costs as possible between two 4-yearly Labour Cost Surveys. With the survey Labour Costs - annual estimates the level and structure of labour costs are shown.

Key variables:

- Average labour costs per per person in paid employment by sections of activities,
- Average labor costs by individual components of labor costs.

2 LEGAL FRAMEWORK

- [Annual Programme of Statistical Surveys \(LPSR\) \(only in Slovene\)](#)
- [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 labour cost per person in paid employment who signed employment contracts (contract work is not taken into consideration) 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, workers in employment promotion schemes, posted workers and farmers are not taken into consideration.

The unit described by the published data is described by SKD 2008.

4 SELECTION OF OBSERVATION UNIT

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

5 SOURCES AND METHODS OF DATA COLLECTION

Data are collected annually.

There are various sources for estimating labour costs, from the existing statistical surveys to administrative data collections (records, registers). The

basis for estimation is four-yearly Labour Cost Survey (LCS).

Employees incomes are estimated on the basis of the statistical survey Average Monthly Earnings by Legal Persons (ZAP/M). The survey is carried out by the SORS.

There is no reliable source for estimating **Vocational training costs** and **Other labour costs**, so we took shares from Labour Cost Survey and estimated with Consumer Price Index.

Employers social contributions are estimated with the help of the Administration of the Republic of Slovenia for Public Payments data on contributions for pension and disability insurance, contributions for employment and health insurance contributions.

Taxes are estimated with the help of the Public Guarantee, Maintenance and Disability Fund of the Republic of Slovenia.

Subsidies are estimated on the basis of data from final accounts of enterprises.

6 DEFINITIONS

Total labour costs cover compensation of employees (employees incomes and employers social security contributions), vocational training costs, other labour costs and taxes minus subsidies.

Employees incomes cover gross earnings (basic earnings and supplements, payment on the basis of personal effectiveness and additional cash payment as a result of effectiveness of the enterprise), earnings compensation for annual leave, holiday allowance, jubilee rewards and payment in kind (payment in kind (products), costs of housing for employees, car costs, and other payment in kind).

Employers' social security contributions cover indirect social security contributions (employers statutory social security contributions and additional employer's payment for social security of employees) and indirect social security contributions (sickness benefit, compensation of earnings of employees waiting for work at home and compensation of earnings of permanent lay-offs during the notice period, retirement bonus, redundancy payment for permanent lay-offs and sympathy assistance).

Vocational training costs cover costs of maintenance, repair and depreciation of premises and equipment intended exclusively for training, costs of tools and instruments used for training, costs of courses, seminars, conferences and payment for external instructors paid by the employer. Not covered are earnings, compensation of earnings and contributions for in-house instructors, investment into premises and equipment intended for training, and training costs paid by employees.

Other labour costs are recruitment costs and clothing costs.

Taxes cover all taxes which are linked to paying earnings and which are to be paid by employers (payroll tax which was eliminated on 1 January 2009). Also covered are contribution for promoting the employment of disabled persons or labour costs for substitutive completion of quota and data of received bonuses for exceeding the quota in employing disabled persons (last one reduces labour costs). Not covered are taxes on employees' earnings (income tax).

Subsidies cover all types of subsidies paid by the state or other enterprises, companies and organisations in Slovenia or from abroad with the purpose to subsidise part of the labour costs or total labour costs. Subsidies reduce labour costs.

Actually worked hours are hours actually worked in full time, hours actually worked in overtime and hours during which employees were at their workplace but did not work due to engine breakdown, accidents, temporary lack of work and breaks shorter than 30 minutes for which they received payment. Paid and unpaid working hours during which employees did not work or were not at the workplace (lunch break of 30 minutes or more, annual leave, national holidays, free days, sick leave (less or more than 30 days) study leave, vocational training, paid leave up to 7 days, waiting for work, etc.) and time of commuting to and from work are not included.

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 editing was not performed.

WEIGHTING

Weighting was not performed.

SEASONAL ADJUSTMENT

Seasonal adjustment is not applicable.

7.3 INDICES

Indices are not published.

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.

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

7.5 OTHER EXPLANATIONS

Data that are statistically protected to respect the confidentiality of reporting units are replaced with the letter »z«.

8 PUBLISHING

- SiStat Database: [Earnings and Labour Costs](#) - Labour costs; absolute data, by section of activities
- First Release (Earnings and Labour Costs, Labour Costs): »Labour costs«.
- EUROSTAT (Statistical Office of the European Union)

9 REVISION OF THE DATA

9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

Provisional data are published 10 months after the reference year at the latest. Final data are expected to be published after the planned revision of hours worked calculation, probably by the end of 2022.

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.

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

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.