SURS

Litostrojska cesta 54, SI-1000 Ljubljana, Slovenia

## METHODOLOGICAL EXPLANATION

# AVERAGE MONTHLY EARNINGS BY REGISTERED NATURAL PERSONS

## This methodological explanation relates to the data release:

 Average monthly earnings by registered natural persons, Slovenia, quarterly (First Release)

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## 1 PURPOSE

The published data on average monthly earnings paid by registered natural persons provide an insight into the amount of and trends in average monthly earnings for persons employed by registered natural 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« and the index of average gross/net earnings – »the current month in view of the same month of the previous year«.

## 2 LEGAL BASIS

- Annual Programme of Statistical Surveys (LPSR) (only in Slovene)
- National Statistics Act (OJ RS, No. 45/95 and 9/01)

Data are not internationally comparable.

## 3 UNIT DESCRIBED BY THE PUBLISHED DATA

The unit described by the published data is monthly gross earnings by activity.

## 4 SELECTION OF OBSERVATION UNIT

Observation units are natural persons (data are being collected at the level of business entities and not at the level of their units) registered for performing activity in the Republic of Slovenia.

The statistical survey Monthly Report on Earnings Paid by Registered Natural Persons covers persons in paid employment by registered natural persons who signed 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.

Farmers and registered natural persons are not included because they do not receive earnings.

## 5 SOURCES AND METHODS OF DATA COLLECTION

Since 2008 the source of data for the statistical survey Monthly Report on Earnings Paid by Registered Natural Persons has been administrative. The Statistical Office of the Republic of Slovenia (SURS) obtains data from the Financial Administration of the Republic of Slovenia, which collects them with the REK-1 form (assessing withholding tax from incomes from employment). The Financial Administration of the Republic of Slovenia sends the data to SURS, which performs statistical processing.

Data are collected electronically by the Financial Administration of the Republic of Slovenia with the questionnaire »assessing withholding tax from incomes from employment« (REK-1), which registered natural persons have to fill in every month on the basis of the Tax Procedure Act (OJ RS, No. 117/06). SURS obtains from the Financial Administration of the Republic of Slovenia monthly data on gross earnings, net earnings, the number of persons in paid employment and the identification number for each registered natural person.

## 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: 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.

Gross earnings do not include supplements of earnings which are not against the account of the registered natural person (reimbursement): 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, food 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.). 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.

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

**Average monthly earnings** are average amounts received by the persons employed by registered natural persons for the related month.

The index of nominal earnings is calculated from data on average monthly earnings.

**The index of real earnings** represents the ratio between the index of nominal earnings and the consumer price index.

**Registered natural persons** are persons performing economic or gainful activity (individual private entrepreneurs) and own account workers performing their activity as the only or principal occupation (e.g. lawyers, independent researchers, etc.).

## 7 EXPLANATIONS

#### 7.1 CLASSIFICATIONS

SKD – Standard Classification of Activities. For more, see: Economic classifications.

#### 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«. The sign »-« is used in cases when there is no occurrence of event.

## 8 PUBLISHING

Data are published:

## Quarterly:

- SI-STAT Data Portal: Demography and social statistics Labour Market –
  Earnings and Labour Costs: <u>Average Monthly Earnings</u>. Absolute data and
  indices are published. The data are published according to the Standard
  Classification of Activities SKD at the 2-digit level.
- First Release (Earnings and Labour Cost, Earnings): »Average monthly earnings by registered natural persons, Slovenia, quarterly«.

## 9 REVISION OF THE DATA

#### 9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

Only final data are published.

#### 9.2 BREAKS IN TIME SERIES

From the end of 2002 to the end of 2007 data on earnings paid by registered natural persons were collected by SURS with the questionnaire Monthly Report on Earnings Paid by Registered Natural Persons (ZAP-RFO/M).

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

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

## 10 OTHER METHODOLOGICAL MATERIALS

No additional methodological materials are provided.