

Data used for calculating GPG in Iceland and how it is collected

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ISWEL

- **The Icelandic Survey on Wages, Earnings and Labour Costs (ISWEL).**
 - Ongoing monthly survey.
- A sample survey of business units based on a stratified cluster sample.
 - Companies, institutions and municipalities with 10 or more employees.
- The survey and data collection in its current form goes back to 1998.

ISWEL – Data

- **Information about the business units**
 - ID of the business unit
 - Municipality of every local unit
 - NACE classification of every local unit

- **Information about the individual**
 - ID of the individual
 - Month and year of birth
 - Sex
 - Trade union
 - Pension fund
 - Education according to ISCED
 - Occupation according to ISCO
 - Authority/foreman
 - Entitled leave
 - Length of service in business units

ISWEL – Data

- **Wages**

- Basic wages and salaries
- Additional allowances
- Expenses payments
- Bonus payments
- Piecework or output work
- Shift premium
- Overtime pay
- Sickness pay
- Lump sums and special payments
- Committee or management payments
- Allowances for transport
- Fringe benefits
- Other payments
- Remuneration paid for leave

ISWEL – Data

- **Hours paid**
 - Normal hours
 - Hours with shift premium
 - Hours in piece work
 - Overtime pay
 - Sickness pay
 - Contractual working hours
- **Labour cost**
 - Pension fund contribution
 - Social security tax
 - Union related funds
 - Other labour cost

ISWEL – Electronic data collection



- **Data are collected directly from the business units' pay-roll systems.**
 - Contracts have been made with leading software firms to develop and maintain an application for the survey.
 - The application is a part of the payroll-system basic package.
 - Business units send a text file every month directly to Statistics Iceland.



ISWEL – Inclusion Process

- **Extensive inclusion process for each business unit as it enters the survey.**
 - Formal letter is sent to the business unit and later an approval by the CEO obtained via phone.
 - Emphasis on establishing good collaboration.
 - A contact person is appointed within the business unit.
 - Statistics Iceland visits the business unit.
 - Examine the structure of the business unit and wage structure.
 - Assist with classification → Definitions of NACE, ISCO and ISCED classifications are built in to the pay-roll system.
 - Assign pay-roll items to wage items in the survey.

ISWEL – Data Transmission

- Data is submitted in text files subtracted from the pay-roll system.
- A Taylor made software is used to perform a quality check.
 - The business units are contacted if there are some flags raised during the quality check.
- Data is stored in SQL database.

ISWEL - Usage

- **The ISWEL data set is used for various purposes**
 - Monthly Wage Indices.
 - Labour Cost Index.
 - Earnings in Economic Activities and Occupations.
 - Structure of Earnings Survey.
 - Labour Cost Survey.
 - Requests from other departments at Statistics Iceland e.g. PPP estimates, Building Cost Index.
 - Requests on earnings by OECD, ILO and UNECE.
 - Micro data for wage negotiations in the labour market.
 - **Unadjusted Gender Pay Gap.**
 - **Panel data study on adjusted wage differential.**

ISWEL & Administrative Data

- **ISWEL data are enriched by use other sources of administrative data.**
 - Pay as You Earn Register.
 - National Register.
 - Graduation Register.
 - Individual tax returns Register.

ISWEL & Administrative Data

Pay As You Earn Register

The data reflects the sum of the tax income and contains information about e.g. ID of the payers , ID of individuals who receives the payment, sum of payment and income tax of the payment – *Monthly data.*

National Register

Includes all civil registration in Iceland and contains information about e.g. ID of the individual, names, gender, marital status, legal domicile, place of birth, citizenship and child bearing – *Daily data.*

Graduation register

Contains information about ID of the individual, school, line of study, degree, mode of teaching and date of graduation – *At least twice a year, after graduation.*

Individual tax returns register

Contains information about e.g. ID of the individual and income reported to the tax authorities income like wages and salaries, including presumptive employment income of the self-employed, employment-related benefits, old-age pensions, social security payments, grants and capital income – *Yearly data.*

ISWEL – Pro and Con

- **Pros**

- Easy and efficient data collection.
- High quality of the data.
 - Harmonized and standardized datasets.
 - Timely.
 - Low non-response bias– All employee from the business units.
 - “Administrative” records.

- **Cons.**

- Inclusion process can be time consuming.
- Hours paid not hours worked.
- Structural changes take time.
 - Change in the classification system.
 - Business units change their payroll system.
 - Business units merge or splits.
- Constant feedback needed.