

## WAGES AND SALARIES AND LABOUR FORCE

### Questionnaire 1462

Data on the statistics on wages and salaries is collected for making economic decisions, monitoring the trends of the statistics on wages and salaries and assessing the changes in the labour market at the state level. The survey also provides information about the average monthly and hourly wage or salary and the labour costs, which is the basis for measuring labour productivity and gives an overview of the changes in the costs of economic activities. On the one hand, it allows to assess the international competitiveness of the state as an industrial region and on the other hand, it indicates the potential hazard on the financial stability. The collected data is used for calculating the labour cost indexes based on the common methodology established by the European Union regulation (Regulation (EC) No 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index), ensuring the international comparability of data.

The questionnaire collects monthly data from economically active entities (enterprises, institutions and other organisations) based on the needs of Estonian consumers. Monthly data is collected from enterprises with more than 50 employees, whereas data is collected once in a quarter about the first, second or third month of the quarter from enterprises with less than 50 employees. The Business Register for Statistical Purposes of Statistics Estonia is used for preparing a list of economic entities with at least one employee. The submitted data is confidential and the individual data is not published.

The main consumers of the data are the Ministry of Economic Affairs and Communications, the Ministry of Social Affairs, the Ministry of Finance, the statistical office of the European Union (Eurostat), the International Labour Organization (ILO), researchers, economic analysts, the media and Statistics Estonia (for preparing macroeconomic statistics).

#### **Why do we ask the data and do not extract them directly from the Tax and Customs Board?**

Although the form TSD and the questionnaire "Wages and salaries and labour force" of Statistics Estonia both contain labour costs and labour force data, there are still considerable differences. The main reasons why TSD cannot be used instead of the wages and salaries questionnaire are the following:

1. It is not possible to distinguish between relevant components of wages and salaries (e.g. irregular bonuses). TSD covers under the 10<sup>th</sup> payment all payments made to that person; it is not possible to identify holiday pay, bonuses, allowances, pensions etc.
2. The data of Statistics Estonia (incl. Eesti Pank, National Institute for Health Development) are accrual-based, data of the Tax and Customs Board are cash-based. For example, wages earned in August are recognised by Statistics Estonia in August, by the Tax and Customs Board in September when they are actually paid. For example, if a worker is paid a two months' salary (or wages and holiday pay), it is recorded appropriately by Statistics Estonia due to accrual accounting, while according to the Tax and Customs Board, the worker received twice as large payment than normally.
3. TSD actually does not cover hours worked, hence it is not possible to say whether a person worked 10 hours, 40 hours or 160 hours for the disbursement made in the respective month.

Where possible, data of TSD or Employment Register are used for prefilling the questionnaire. The number of employees in the questionnaire is prefilled based on TSD of the Tax and Customs Board.

Statistics Estonia wishes to make the movement and reporting of data more automatic in order to decrease the data submission burden of enterprises. We have prepared guidelines for those who wish to start using the statistical database API or integrate their software with Reporting 3.0, a project created to decrease administrative burden by making it more convenient to submit data required by the state <https://www.stat.ee/en/statistikaamet/developers>.

## **Questionnaire WAGES AND SALARIES AND LABOUR FORCE**

### **Structure of the questionnaire**

The questionnaire consists of part A which must be filled in by the respondent and part B which will be filled in automatically based on the data entered in part A. Part B is intended as the feedback for the respondent and for the logical control of data.

#### **A. WAGES AND SALARIES AND LABOUR FORCE**

1. LABOUR FORCE AND HOURS WORKED
2. LABOUR COSTS
  - 2.1. GROSS WAGE AND SALARY
  - 2.2. SOCIAL TAX TOGETHER WITH ALLOWANCES AND BENEFITS
3. SUBSIDIES RECEIVED BY THE EMPLOYER

#### **B. RESULTS CALCULATED BASED ON THE DATA YOU SUBMITTED**

1. Average hourly wage and salary
2. Average number of hours worked per month per employee
3. Average monthly gross salary and wage

The questionnaire includes employees working based on employment contracts and the Civil Service Act or natural persons in service. All persons listed in subsection 2 (2) of the Civil Service Act are also included. The following persons listed in subsection 2 (3) of the Civil Service Act are also encompassed: rural municipality or city district elders, members of rural municipalities or city governments, members of the Government of the Republic, judges, the Chancellor of Justice, the Auditor General and the President of the Republic.

The questionnaire is accrual-based and includes employees whose labour costs occurred in the reference month.

The questionnaire does not include the employees providing services under the contracts under the law of obligations, employees on parental leave (until the child reaches the age of 3), employees whose employment relationship has been suspended for more than 6 months, persons providing services, members of the local government council, lay judges, members of the council of public or private limited companies (unless they are the employees of the public or private limited company). Members of the board are not included, provided they do not have an employment contract.

## General definitions and explanations

Definition	Explanation
<b>LABOUR FORCE AND HOURS WORKED</b>	
<b>Number of employees received payment in the reference month</b>	Number of employees includes the persons employed under an employment contract and Civil Service Act, listed among the employees of the company or institution and received payment in the reference period. Employees with increased workload are considered as one person. Non-working employees listed among the employees of the employer, who are on parental leave and in military service in the reference period, are not included. The number of employees also includes the special cases based on the Civil Service Act: the President of the Republic, members of the Government of the Republic, the Auditor General, the Chancellor of Justice, a judge, a police officer, a border guard officer, a prison officer, a prosecutor and persons contracted under the Military Service Act. It does not include members of the local government council and members of the council of public or private limited companies, unless they are the employees of the public or private limited company. Number of employees in the reference month must correspond to the labour costs of the employee in the reference period. Former employees are not included in the number of employees.
<b>Average number of employees in full-time equivalents (with two decimals)</b>	<p>To find the average number of employees in full-time equivalents, calculate the total time fund of employees in a calendar month in days and divide it by the number of days in the calendar month. To find the total time fund in a calendar month, sum up all working days, non-work days and days missed from work (sick days, holidays, etc.) of all employees. The number of employees on non-work days and public holidays is considered equal to the number of employees on the working day preceding the non-work day or the public holiday. Part time employees are considered proportionally with the worked time (e.g., an employee whose contractual working hours are 20 hours per week, is considered as 0.5). Persons on parental leave and other employees whose employment relationship has been suspended for more than 6 months, are not considered among the average number of employees.</p> <p>An example on reducing the number of employees. Working hours established based on the internal procedure rules of the employer are 8 h a day. Find the monthly average number of employees, provided that: on 1–15 January the employer employed 30 full time employees, on 16–31 Jan 50 full time employees, on 1–31 Jan 1 part time employee with 6 working hours a day – with work load of 0.75, on 1–15 Jan 1 part time employee with 4 working hours a day – with work load of 0.50, on 1–31 Jan 1 part time employee with 2 working hours a day – with work load of 0.25. Finding the average number of full-time employees: <math>(15 \times 30 + 16 \times 50) / 31 = 40.32</math></p> <p>Finding the average number of part-time employees: <math>(0.75 \times 31 + 0.5 \times 15 + 0.25 \times 31) / 31 = 1.24</math> Average number of employees, in full-time equivalents: <math>40.32 + 1.24 = 41.56</math>.</p>
<b>Number of hours worked (in thousand hours with two decimals)</b>	Number of hours worked (in thousand hours with two decimals) – includes the actually worked hours (incl. preparation of work, time spent on the maintenance repair of equipment, cleaning of equipment, filling in work orders and reports); time spent at workplace but not for working, e.g., short-time stoppages of equipment, etc.; coffee and tea breaks and overtime hours, except hours that are paid for but not actually spent working (holidays, sick leaves, etc.), lunch, time spent travelling to and from work, time spent on degree trainings (acquisition of education) and professional trainings (courses, exercises). The number of hours worked must correspond to the earned salary (row 5 to row 7).
<b>Number of vacant paid posts at the end of reference month</b>	Total job vacancies as at the last date of the reference month, i.e., newly created posts, vacancies or paid posts soon to be vacant, for which the employee a) is actively engaged in making efforts to find a suitable candidate from outside the company/institution/organisation and b) plans to fill the post either immediately or within a predetermined time. Includes both full and part time vacancies.
<b>GROSS WAGE AND SALARY</b>	
<b>Basic wage or salary together with monthly bonus and premium</b>	Time wage and piecework pay calculated based on the remuneration determined in an employment contract or legal acts together with regularly paid bonus. Regularly paid bonus includes monthly premiums and bonuses, additional remuneration for work in difficult or health damaging conditions, remuneration for qualification, language skills and seniority, if the calculation is based on the time actually worked. This does not include remuneration for overtime hours or special bonus for working in shifts, in night shifts and on public holidays,

Definition	Explanation
	irregular payments and premiums, in-kind remuneration, regular quarterly premiums (payment per performance) and other non-regular (lump sum) premiums and bonuses and payments for days not worked.
<b>Earnings related to overtime</b>	Wage or salary for the number of hours worked over standard working hours. Includes the total sum, not only the bonus rate added to the regular hourly wage. Example: the hourly wage rate of an employee is 5 euros and the bonus paid for overtime hours is 50%, hence 2.5 euros. The sum to be indicated is $5 + 2.5 = 7.5$ .
<b>Bonus for working in shifts, in night shifts and on public holidays</b>	Bonus for working in shifts, in the evenings, at night, on weekends or on public holidays, if such instances are not considered as overtime hours. This includes the additional bonus sum, not the whole sum.
<b>Irregular bonuses and premiums</b>	All irregularly paid bonuses and premiums: quarterly bonus, annual bonus, Christmas bonus, payment per performance and other irregularly paid additional bonuses and premiums (including holiday bonus, unused holiday allowance). This does not include regular (monthly) premium or bonus, social benefits in the event of a jubilee, birth, death, etc.
<b>Payments for days not worked</b>	All holiday pays and special holiday pays (e.g., for marriage, death of a family member, military service, child starting school) and other payments for days not worked, which, for instance, includes pay for waiting time, payments for the time of strikes and lock-outs, degree and professional trainings, the share of the payment for the home on-call time of a health care professional for the time they were not called out. The questionnaire does not include holiday pay which is compensated from the state budget (child leave, paternity leave, disabled child parental leave, paid care leave, annual holiday leave of an employee with partial or no work ability or a minor employee).
<b>Wages and salaries in kind or payment in kind</b>	Wages and salaries in kind (payment in kind) – different non-monetary remunerations, e.g., remuneration in products or services; food and beverages; clothing and footwear, etc.; administrative and utility costs related to the housings of employees (electricity, gas, water, heating, etc.); products or services at discount prices; loan interest for the purchase of consumer goods paid by the employer; payment of housing loan interests; benefits for covering the costs related to accommodation and housing (e.g., rent); costs related to the administration of houses, apartments owned by the employer (maintenance repairs, insurance and administration costs); use of company car for personal use (incl. the share of personal use from the costs related to the company car, calculated as a proportional share from the costs related to the use of the vehicle, such as fuel, repair, maintenance and rent costs, insurance, parking, etc.); indirect benefits for own employees, e.g., benefits for travelling to and from work (monthly cards, bus tickets, etc.), benefits for child care, catering, sports and spare time, and payments to the labour union funds.
<b>Payments to the employee's savings schemes</b>	Payments by the employer for the creation of a special fund for purchasing the shares or other financial assets for employees, even if they do not have direct access to such means. From the payment, deduct the sum of any tax incentive valid for the employer. Free sharing of shares or the sales of shares with lowered price for the employees or for the special fund may only be considered as a cost for the employer, if the said shares are purchased from the stock market. The cost for this for the employer is the difference between the purchase and the sale price or transfer price. The payment is indicated with VAT.
<b>SOCIAL TAX TOGETHER WITH ALLOWANCES AND BENEFITS</b>	
<b>Social tax</b>	Social tax which is calculated from the monetary wages and salaries and payments in kinds (fringe benefits) within the reference month (calendar month). DOES NOT INCLUDE social tax paid from target donations from gross salaries of own employees, from the salary subsidy received by the employer and from the salaries of employees employed under contracts for services.
<b>Employer's unemployment insurance premium</b>	Unemployment insurance premium calculated from the labour costs of the reference month (calendar month). Does not include the unemployment insurance premium paid by the insured persons themselves or the unemployment insurance premium paid from target donations from gross salaries of own employees, from the salary subsidy received by the employer and from the salaries of employees employed under contracts for services.
<b>Collectively agreed, contractual and voluntary</b>	Payments by the employer to the social security schemes in addition to mandatory payments (social tax, unemployment insurance premium): additional pension plans (insurance plans of

Definition	Explanation
<b>social-security contributions</b>	insurance companies, insurance funds managed by the employer, budget reserves, all costs made to finance the additional pension plans), additional health insurance plans, additional unemployment insurance plans and other voluntary social security schemes (e.g., life, health and accident insurance).
<b>Definition</b>	<b>Explanation</b>
<b>Allowances paid for employees for sickness, occupational accidents or occupational diseases</b>	Sums from which the following is deducted from: refunds from social security institutions and the sums that the employer pays directly to the employee for ensuring income and remunerating the loss of income in case of sickness, occupational accident, occupational disease, etc. Does not include the sick days remunerated by the Health Insurance Fund.
<b>Allowances and benefits paid for employees for pensions and health care</b>	Includes the benefits and bonuses calculated by the employer for the pensions and health care for current or former employees, especially in the government sector. Sums which the employer pays directly to employees (not through insurance plans or funds). The sum is indicated, if the actual disbursement for an employee or a former employee is made.
<b>Payments to employees leaving the enterprise</b>	All benefits by the employer upon the termination of the employment relationship and payments for the employee leaving the company, which are paid directly to the employee. Includes, for instance, severance pay and compensation for unannounced release from work. Does not include unused holiday allowance which is indicated under irregular premiums.
<b>Other allowances and benefits paid for employees</b>	All other social payments, benefits and allowances paid directly to employees, which are not elsewhere indicated, such as education allowance (trainings outside the company) for employees and their families, ensured allowances for partial unemployment or average wage or salary paid in case of an obstacle to work, one-time benefits for employees for certain occasions (getting married, birth of children), covering the educational fees of the children of employees.
<b>SUBSIDIES RECEIVED BY THE EMPLOYER</b>	
<b>Salary subsidy received by the employer</b>	A wage subsidy is the benefit paid to an employer for the hiring of an unemployed person. It is designed to support the long-term unemployed, young people, people with reduced capacity for work, recipients of international protection and people who have been released from prison in finding work. Indicate the bonus which is included in the main wage or salary of the reference period (row 5).
<b>Subsidies received by the employer from target donations (included in the basic wage or salary)</b>	Subsidies received by the employer from target donations (included in the basic wage or salary). Indicate the bonus which is included in the main wage or salary of the reference period (row 5).

## Checking and submitting the data

Make sure that all data are inserted into correct fields. Logical (arithmetic) controls are applied on some fields of the questionnaire to avoid possible errors when inserting the data. If the inserted data is inconsistent or clashes with the prefilled data, a respective error message is displayed when validating the table. If any errors occur, please check the data carefully and make the necessary amendments. To submit the questionnaire, click Check to activate the control functions between the tables. If you have corrected the errors, click Confirm/Submit.

For social tax there is a control which requires an explanation and a description of the social tax differentiation, if the social tax is outside a certain range. The control function has been applied with the purpose of making sure that the submitted data are correct and preventing the need to contact the respondent later for correcting the errors.

## Submission of data by counties

Economic entities with more than 1,000 salaried employees and operations in more than one county are expected to submit data by counties. If the operations of the company or institution are expanded or terminated in some counties, please inform Statistics Estonia thereof.

Generally, the place of business of the employer is also the location of the workplace. An employer may have one or several places of business and the employee may work in more than one workplace. If the employer works in more than one workplace (e.g., maintenance, supervision) or at home (a form of teleworking), the permanent place of work is determined based on where the employee receives instructions or where his/her work is organised from.

If a certain type of wage and salary (e.g., wages and salaries in kind) cannot be linked with a specific county (person), then it must be divided proportionally based on the number of employees, i.e., find the sum per average employee and then multiply it by the number of the employees in the respective county.

If it is not known to which county the employee will be recruited (e.g., an employee is recruited for both Tartu and Tallinn and later when a suitable candidate is found, then the actual workplace is determined), then the vacancies are indicated by the headquarter (from where the work tasks are received).