Use of administrative data to calculate Labour Costs

Workshop on Labour Cost Data,
Rome, Italy 5-6 May 2015
Anna S. Halldórsdóttir,
Wage Statistics, wages@statice.is

Statistics Iceland

Content

1) Background

2) Data sources for Labour Cost statistics

3) Combining administrative and survey data

4) Prospects

Statistics Iceland

Background

- The Icelandic Survey on
  Wages, Earnings and Labour Cost (ISWEL)
  - A survey sample of business units operating in the Icelandic labour market
  - Monthly data
  - Data collected directly from payroll systems
  - Survey and data collection goes back to 1998

Statistics Iceland

Background

- ## The Pay as You Earn (PAYE)
  - Taxable income of individuals in Iceland
  - Monthly data
  - All economic sectors
  - Electronic data from 1998

Data sources for Labour Cost statistics

- Information in the PAYE register on <u>employees</u>
  - ID of the employee
  - Share of full-timer's normal hours (∗)
  - Monetary value and type of taxable income

- Information in the PAYE register on <u>business units</u>
  - ID of the business unit
  - Economic sector (∗)

  (∗) *requested variables by Statistics Iceland, quality is poor*

Statistics Iceland

Data sources for Labour Cost statistics

- ## Information from the ISWEL
  - Wages and salaries (D11)
    - *Irregular payments (D11112)*
    - *Wages and salaries in kind (D1114)*

  - Employers' social contributions (D12)
    - *Employers' actual social contributions (D121)*
    - *Employers' imputed social contributions (D122)*

Statistics Iceland

Data sources for Labour Cost statistics

- ## Information from the ISWEL – cont.
  - – Hours and working time
    - *Paid hours*
    - *Type of hours; normal, overtime and sickness*
    - *Contractual working hours*
    - *Share of full-timer's normal hours*

  - – Apprentices

Statistics Iceland

Combining administrative and survey data

- ## Labour Cost Survey 2012
  - – The two sources countervail each other

  - – Sum of earnings from PAYE
  - – Structure of labour costs from ISWEL

  - – Number of employees from PAYE
  - – Composition of full-time and part-time from ISWEL

Combining administrative and survey data

- Missing variables - Labour Cost Survey 2012
  - Vocational training costs (D2)
  - Other expenditure paid by the employer (D3)
  - Subsidies received by the employer (D5)

Statistics Iceland

Combining administrative and survey data

- Prospects
  - More collaboration within divisions
    - *Earnings and Labour Costs*
    - *National Accounts (NA)*

  - Model parameterization for datasets
    - *Hierarchical models*
    - *Regression models*

THANK YOU!

QUESTIONS?

Statistics Iceland