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EUROSTAT

Directorate F: Social Statistics
Unit F3: Labour market and lifelong learning

Labour Cost Survey 2020

Eurostat's arrangements for implementing the Council Regulation 530/1999 and the Commission Regulation 1737/2005

- FINAL -

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1. OBJECTIVE

The objective of this paper is to provide a set of guidelines for the transmission of the results of the Labour Cost Survey 2020 (LCS 2020).

The LCS 2020 is, as in previous vintages (2000, 2004, 2008, 2012 and 2016), based on the Council Regulation (EC) No 530/1999 concerning structural statistics on earnings and on labour costs and the Commission Regulation 1737/2005 of 21 October 2005 amending Regulation (EC) No 1726/1999 as regards the definition and transmission of information on labour costs[1]. The Commission Regulation is attached in Annex 4.1.

Those elements included in Eurostat's arrangements for implementing the LCS 2016, which are still valid for LCS 2020, are repeated in this document.

This includes in particular guidance on a number of methodological issues discussed at the Labour Costs workshop that was held in Rome on 5 and 6 May 2015, namely:

- The operational rules to distinguish apprentices from trainees and other employees;

- The recording of hours paid by social security (partially or in full);

- The delineation of labour costs versus social security payments.

2. INFORMATION TO BE PROVIDED ACCORDING TO THE 1737/2005 LCS REGULATION

This chapter presents information on the variables to be provided for the LCS 2020. The detailed definition of the variables can be found in the text of the Regulation (see: Annex 4.1.). All deviations from any concept foreseen in the Regulation 1737/2005 must be reported by the countries in the LCS 2020 Quality Report[2].

According to the Commission Regulation (EC) No 698/2006 (see: Annex 4.2) countries should transmit their LCS 2020 Quality Report by 31 December 2022 at the latest.

[1] Text with EEA relevance. (OJ L279, 21.10.2005)

[2] Commission Regulation (EC) No 698/2006 of 5 May 2006 implementing Council Regulation (EC) No 530/1999 as regards quality evaluation of structural statistics on labour costs and earnings. (OJ L121, 5.5.2006)

2.1. Classification schemes

2.1.1. NUTS and NACE classification

Countries and regions should be classified according to the latest nomenclature of territorial statistical units (NUTS 2016), listed in the Annex 4.3.

More information about NUTS classification is available on the following links:

- ✓ http://ec.europa.eu/eurostat/ramon/nuts/home_regions_en.html
- ✓ https://ec.europa.eu/eurostat/web/nuts/legislation
- ✓ https://ec.europa.eu/eurostat/web/nuts/history

Following Art. 8 of the Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Rev.2, *"statistics referring to economic activities performed from 1 January 2008 onwards shall be produced by Member States using NACE Rev. 2"*. NACE classifies activities without distinguishing if the activity is carried out by public or private body and if it is carried out as profit or non-profit activity. These splits are therefore irrelevant for the inclusion or non-inclusion of an enterprise in the LCS.

The coverage of NACE Rev. 2 section O is still optional. However, as several countries can supply NACE Rev. 2 section O, Eurostat would also welcome data for such section. In LCS 2016, 22 Member States out of 28 provided data for NACE O, however EU aggregates were not possible to calculate and publish due to the incomplete coverage at EU level.

2.1.2. Classification of enterprises by size bands

The size of the enterprise, in terms of number of employees, should remain classified in the same bands as in previous LCS rounds, as follows:

- ✓ 1 to 9 (optional),
- ✓ 10 to 49,
- ✓ 50 to 249,
- ✓ 250 to 499,
- ✓ 500 to 999,
- ✓ 1000 and more employees.

Corresponding codes expected in transmission files are listed in Annex 4.3.

2.2. Labour cost variables

The following table provides an overview of the set of variables to be provided. Optional variables of the regulation are highlighted in grey.

Variables of the LCS regulation 1737/2005	
A. Number of employees	
A.1	Total number of employees
A.11	Full-time employees (excluding apprentices)
A.12	Part-time employees (excluding apprentices)
A.121	Part-time employees converted into full-time units (excluding apprentices)
A.13	Apprentices
A.131	Apprentices converted into full-time units
B. Hours actually worked	
B.1	Total hours actually worked
B.11	Hours actually worked by full-time employees (excluding apprentices)
B.12	Hours actually worked by part-time employees (excluding apprentices)
B.13	Hours actually worked by apprentices
C. Paid hours	
C.1	Total hours paid
C.11	Paid hours for full-time employees (excluding apprentices)
C.12	Paid hours for part-time employees (excluding apprentices)
C.13	Paid hours for apprentices
D. Labour costs	
D.1	Compensation of employees
D.11	Wages and salaries
D.111	Wages and salaries (excluding apprentices)
D.1111	Direct remuneration, bonuses and allowances
D.11111	Direct remuneration, bonuses and allowances paid in each pay period
D.11112	Direct remuneration, bonuses and Allowances not paid in each pay period
D.1112	Payments to employees' savings schemes
D.1113	Payments for days not worked
D.1114	Wages and salaries in kind
D.11141	Company products (optional)
D.11142	Staff housing (optional)
D.11143	Company cars (optional)
D.11144	Stock options and share purchase schemes (optional)
D.11145	Other (optional)
D.112	Wages and salaries of apprentices
D.12	Employers' social contributions
D.121	Employers' actual social contributions (excluding apprentices)
D.1211	Statutory social-security contributions
D.1212	Collectively agreed, contractual and voluntary social-security contributions
D.122	Employers' imputed social contributions (excluding apprentices)
D.1221	Guaranteed remuneration in the event of sickness (optional)
D.1222	Employers' imputed social contributions for pensions and health care (optional)
D.1223	Payments to employees leaving the enterprise (optional)
D.1224	Other imputed social contributions of the employer (optional)
D.123	Employers' social contributions for apprentices
D.2	Vocational training costs
D.3	Other expenditure paid by the employer
D.4	Taxes

Variables of the LCS regulation 1737/2005	
D.5	Subsidies received by the employer
E. Information on units	
E.1	Local units, universe
E.2	Local units, sample

2.2.1. Number of employees (A-variables)

The number of employees required is the **average monthly** number of employees employed in the reporting unit **during the reference year** (average of the total number of employees recorded for each month of the year). If this information is not available, the average number of employees may also be based on daily, weekly, quarterly or annual figures.

The total number of employees is recorded separately for full-time employees, part-time employees and apprentices (per head).

Full-time employee is someone whose normal working hours are contracted as full-time in the local unit. Part-time employees and apprentices (who generally work less hours than full-time employees) should also be recorded separately in **full-time equivalents**. Detailed information about full-time employees (such as definition and average number of hours worked) and how part-time employees and apprentices are expressed in full-time equivalents (usually based on the hours worked) should be provided in the quality report especially if divergences from such rule exit.

Apprentices also play an important role for some countries and there might also be different types of apprenticeship contracts across the EU. For some countries, the share of apprentices is almost zero to none and in order to harmonise and ensure comparability across countries, the following operational definition has been introduced from LCS 2016.

An individual should be classified as *apprentice* if:

1. An employment contract exists between individual and enterprise;
2. Receives remuneration in the form of wage or allowance;
3. Educational programme is of less than 6 years duration and leads to a formal qualification;
4. Apprenticeship contract is of at least 6 months and leads to a formal qualification;
5. Alternance between practical training at workplace and general / theoretical education in an educational institution or training centre on a weekly, monthly or yearly basis

The purpose of the criteria set above is to ensure that data for apprentices does not include any form of traineeship.

A *traineeship* is another form of vocational training offering practical experience at the workplace which corresponds either to a component of a formal education programme or to a non-formal training activity organised

by an education, training or employment institution; defined in a training contract or formal agreement between the trainee and the employer directly or via an institution; offers paid or unpaid vocational training to students but also to unemployed or inactive persons for a limited period of time; duration of the contract or formal agreement is at most 2 years.

A decision tree distinguishing apprentices from trainees and other employees is provided in Annex 4.4.

A.1	Total number of employees
A.11	Number of full-time employees (excluding apprentices)
A.12	Number of part-time employees (excluding apprentices)
A.121	Number of part-time employees converted into full-time units (excluding apprentices)
A.13	Number of apprentices
A.131	Number of apprentices converted into full-time units

2.2.2. Hours actually worked and hours paid (B- and C-variables)

- Hours actually worked (B-variables)

These statistics cover the total number of hours worked by all employees during the year. The total number of hours actually worked is recorded separately for full-time employees, part-time employees and apprentices.

B.1	Hours worked by all employees
B.11	Hours worked by full-time employees (excluding apprentices)
B.12	Hours worked by part-time employees (excluding apprentices)
B.13	Hours worked by apprentices

"Hours worked" should be "actual hours worked" rather than "contracted hours". However, these may not always be easy to obtain and it may be necessary to make use of contractual hours instead. This usually occurs for some professional groups – as in the case of teachers and managers who generally work more overtime on an unpaid basis.

- Hours paid (C-variables)

These statistics cover the total number of hours paid by all employees during the year. The total number of hours actually paid is recorded separately for full-time employees, part-time employees and apprentices.

C.1	Paid hours for all employees
C.11	Paid hours for full-time employees (excluding apprentices)
C.12	Paid hours for part-time employees (excluding apprentices)
C.13	Paid hours for apprentices

With regard to hours paid, attention should be given when certain hours are paid in full or partially by the social security system. The different cases are detailed in the following:

In cases of sick or maternity leave and other form of absence, hours which are paid 100% by the employer, are fully recorded as hours paid. When such hours are fully paid by the social security system (none is paid by the employer), the corresponding hours should be excluded from LCS. In the intermediate case, when a ratio is paid by both (ex. 25% employer / 75% social security), the corresponding 100% of hours paid, should be recorded. An example of the different scenarios is illustrated below.

Sick leave day 1 to 3: Nothing is paid to the employee; neither by employer nor by social security

-> zero (0) hour paid to be recorded.

Sick leave day 4 -14: 75% is paid by social security and 25% is paid on voluntary basis by employer

-> if employer pays his 25%; (hence 75% by the social security + 25% by the employer) then 100% of corresponding hours are recorded.

-> if employer does not pay his 25%: zero (0) hour paid to be recorded.

Sick leave day 15+: 100% is paid by social security; nothing is paid by the employer

-> zero (0) hour paid to be recorded.

2.2.3. Labour costs (D)

Labour costs mean the total expenditure borne by employers in order to employ staff. Labour costs include compensation of employees (D.1) with wages and salaries in cash or in kind (D.11) and employers' social

contributions (D.12), vocational-training costs (D.2), other expenditures (D.3), taxes relating to employment regarded as labour costs (D.4), less any subsidies received (D.5).

The costs for persons employed by temporary employment agencies are to be included in the industry of the agency which employs them (NACE Rev. 2, division 78) and not in the industry of the enterprise for which they actually work.

The components of total labour costs, mandatory and optional variables, are presented in Figures 1 to 3 on the next pages.

Figure 1: Labour costs and their main components

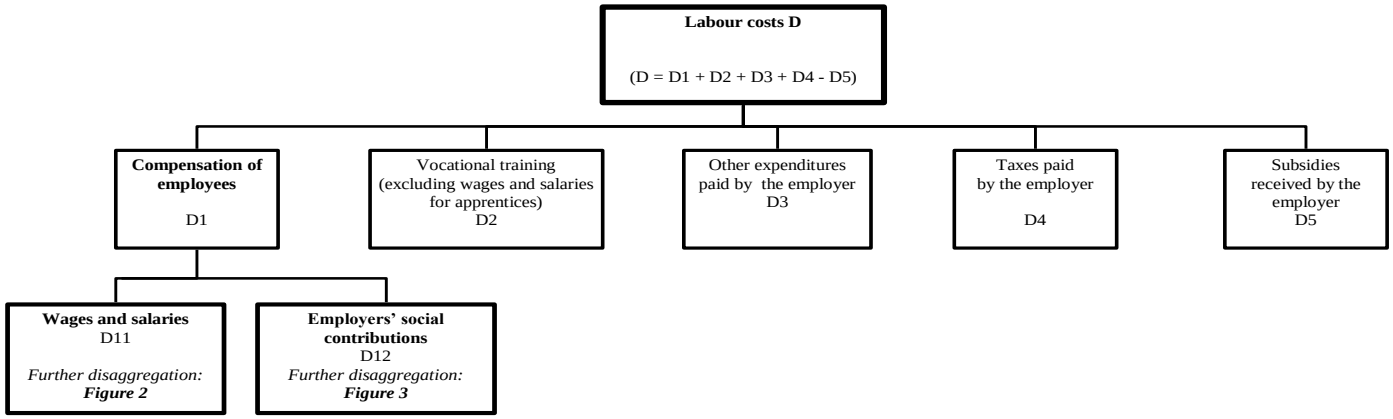


Figure 2: Breakdown of the component "Wages and salaries" (D.11)

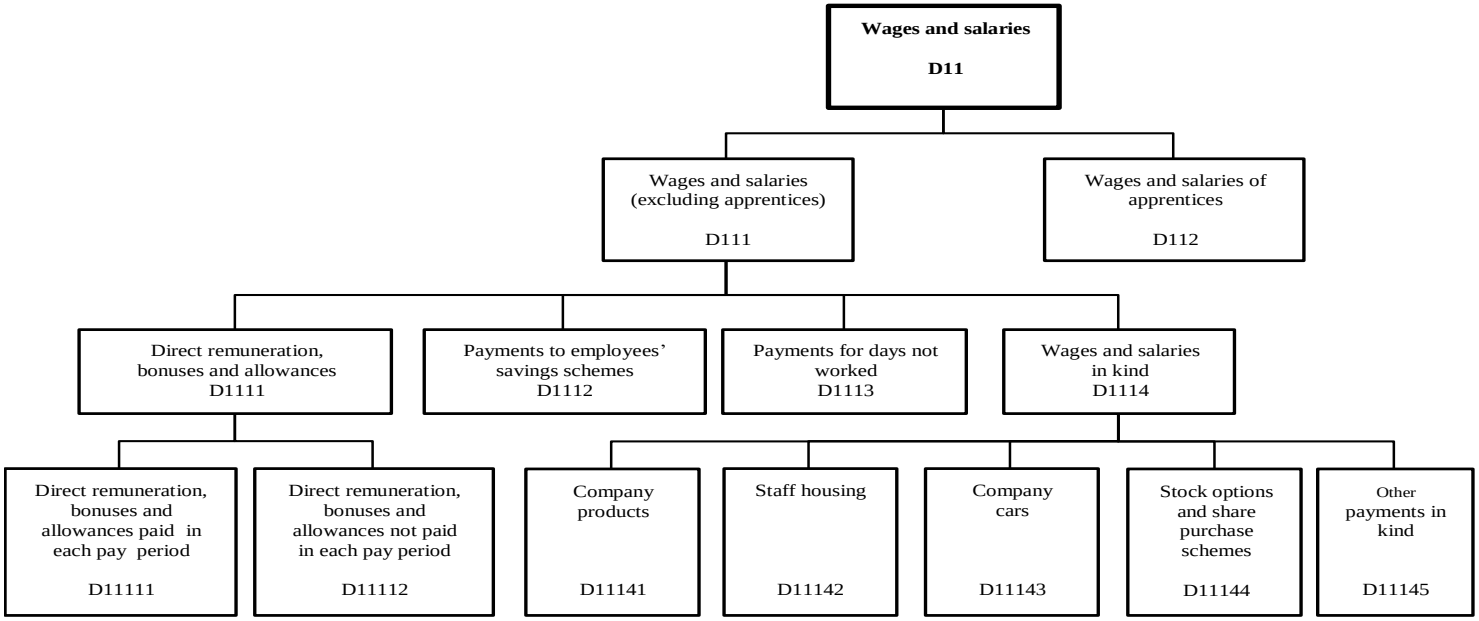
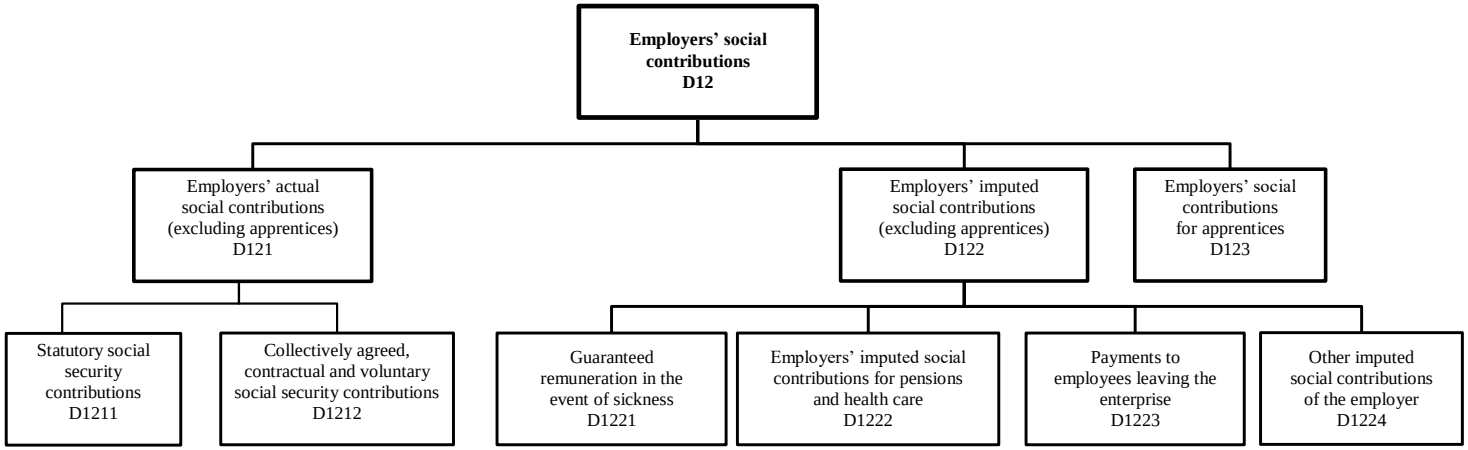


Figure 3: Breakdown of the component "Employers' social contributions" (D.12)



2.2.4. Information on statistical units (E-variables)

This variable covers the total number of local units in the sample and in the universe.

E.1	Local units, universe
E.2	Local units, sample

2.3. Classification of labour cost items

The classification of labour cost items is available from the Appendix to Annex II of the Commission Regulation (EC) No 1737/2005. Below are some additional examples that are not included in this Appendix.

Labour Cost item	Where to assign the labour cost item
Payments covering journeys between home and usual working place.	The new Regulation assigns them to D.11111if they are cash transactions paid in each pay period, otherwise to D.11112 if not paid in each pay period. If the costs are directly charged to the employer (no cash transfer, such as free provision of public transportation tickets) they fall under D.11145.
Free flights / travel for family members joining an employee on a business trip.	This item is covered by D.11141 or D.11145. Example for possible assignment to D.11141: The employee works for a travel agency.
Provision of loans at lower or zero interest rates.	This item is covered by D.11141 or D.11145. Example for possible assignment to D.11141: The employee works for a bank.
Company shares provided to newborn babies of employees.	This item is covered by D.11144 (payments in kind linked to share-based compensation).
Christmas gifts for children of employees	These items are covered by D.11141 or D.11145. Example for possible assignment to D.11141: The gifts are produced by the employer.
Wedding gifts to employees.	
Should expenses for business trips paid by employer be included (under D.3) in LCS?	No inclusion in the LCS foreseen (these are intermediate expenditures not covered by D.2 or D.3, not compensation to employees - see ESA 10, paragraph 4.07). Employer's costs for business trips and also for working tools have been excluded from the LCS.
Payments for use of private cars for company purposes.	No inclusion: these are intermediate expenditures, not compensation to employees.
Do fixed allowances paid in each pay period covering travelling expenses for business purposes fall under D.11111?	The assignment to D.11111 is correct if the payments are made irrespective of the need to travel. If the payments are made as a fixed allowance only in order to facilitate administrative processes, but are meant to cover actual business travel costs, then the costs seem to be intermediate expenditures not covered by D.2 or D.3 (hence should be excluded from the LCS)
Are employer's payments into group insurance schemes for employees (accidents, death etc.) labour costs?	Such payments could fall (as indirect benefits chargeable to the employer) under D.11141 if the employee works for an insurance company. Otherwise these expenses are covered by D.1212

Labour Cost item	Where to assign the labour cost item
How to classify payments for days not worked due to either statutory leave, public holidays and other days not worked, or days not worked due to sickness?	All remuneration paid for statutory, contractual or voluntarily granted leave and public holidays, or other paid days which were not worked should be recorded under variable D.1113 (payments for days not worked). On the other hand, payments related to sickness, maternity or compensation related to occupational accident (less any reimbursement paid by social-security) should fall under D.1221 (guaranteed remuneration in event of sickness.
Basic, upper secondary or tertiary formal education paid by the employer.	Employers' expenditure for general education of employees, i.e. education not linked to the requirements of the working place, are labour costs to be assigned to "D1224 Other imputed social contributions of the employer". Education linked to the professional work is considered as being vocational training and hence should be recorded under "D.2: Vocational training costs paid by the employer"
How should costs related to former / retired employees (on pension) be recorded? *(variable D1223)*	When the employee is already on retirement in the reference year (hence employees is no longer engaged with the enterprise), it is recommended not to record such payments as labour costs. Indeed, these payments are social benefits that correspond to the social contributions that should have been recorded (i.e. paid or imputed), within labour costs, at the time the employee was still active and his/her pension entitlements have been created (accrual principle). When the employee goes on retirement in the reference year, one should distinguish between pension benefits (not to be recorded) and extra payments such as severance pay and compensation in lieu of notice that are part of labour costs (wage costs or imputed social contributions depending on cases).
When payments for sick leave or maternity leave are financed by social contributions	In order to avoid double counting, if the payments to employees are financed (even partially) by social contributions (paid or imputed previously), they are considered as social benefits and should not be considered as labour costs. When an employer pays wages and salaries to an employee on sick leave for a first number of days (ex. 16 days) and from day 17 onwards the employee gets sickness pay from social security (i.e. no direct costs to the employer), the employer should record the amounts paid by the enterprise in the first 16 days as labour costs whereas the payment made by social security (from day 17 onwards) is not a liability to the enterprise and hence should not be included. In the intermediate case, when the employer pays a share (e.g. 25%) of the compensation for sick leave, the corresponding proportion should be recorded.

More information as regards the recording of government schemes introduced in the context of the COVID-19 crisis is provided in Annex 4.5.

2.4. Miscellaneous

2.4.1. Grossing-up

The data that countries provide to Eurostat should be grossed-up estimates for the population for each NACE category (division, section and aggregates level), size of enterprise and region.

2.4.2. "Poor quality" estimates

If the Coefficient of Variation (CV) for a variable is very high, it is not recommended to reject the estimated mean and insert '0' (i.e. zero). Instead the 'best estimate' should be included.

A country may have a policy of not publishing a variable if the CV is greater than 30% for example. In this situation, there is no option but to code this variable as 'NA' (see chapter 3.1 on data coding). However, this is not a desirable practice because as a result, total labour costs and the major components can be significantly underestimated.

These facts should be reported in the required LCS 2020 Quality Report.

2.4.3. Firms with partial operating period

Firms may be operative for less than 12 months because:

(1) They start trading after the beginning of the year (i.e. births);

(2) They cease trading during the year (deaths);

(3) They only work for part of the year (e.g. some hotels, construction firms, etc.).

It is recommended for firms that fall into one of these categories to keep the data from these firms and make adjustments to the number of employees (*but not to labour costs, nor to the number of hours worked*).

A second solution is to exclude firms in categories 1 and 2 from the LCS. This solution has the advantage of retaining only those firms that are operative for full year (plus seasonal traders, as already described above). However, this may result in the disproportionate exclusion of certain NACE divisions (e.g. retailing, restaurants) and smaller businesses where the birth and death rates are much higher. It is however reminded that, such method is only acceptable if this problem is compensated by suitable grossing-up procedures.

3. PROCESSING OF THE DATA

3.1. Data coding

- The codes to be used for alphanumeric variables (economic activity, region, size class) are given in Annex 4.3. Data should be given rounded, without decimals. No spaces, points, letter or commas should be inserted and scientific notation is not allowed (for example, 13967 is correct while the following are incorrect: 13 967 or 13.967 , 13,967 or 13.9E+3).

- The most common issue with the data formatting noted during validation of LCS 2016 data was appearance of scientific notation of data (e.g. 1.23E+10). This type of data formatting usually appears unintentionally when data is prepared using Excel and can be solved by applying following steps:

  - ✓ Before converting Excel file (.xls/ .xlsx) to a comma separate file (.csv) make sure that the width of each column allows the full visibility of any number
  - ✓ Check that each cell containing data is formatted as 'number'
  - ✓ Before transmitting the file check that created .csv file does not contain any other formats except 'number'

- Missing (or zero) variables should be coded according to the following rules:

  - ✓ '**NA**' when the variable is not available (even though it definitely exists in the country and is greater than zero).
  - ✓ '**OPT**' when the variable is optional and is not completed.
  - ✓ '**0**' for zero values, or for those variables which do not exist in the country concerned.

- The variables concerning number of employees, working time, number of statistical units should be expressed in absolute terms, that is, giving the numbers in full (and not in decimals, or in tens, thousands, millions, etc.).

  The variables relating to expenditure should be expressed in the national currency of the country concerned. The units used in each country should be identical for all variables and should be expressed in absolute terms in full numbers (and not in decimals, or in tens, thousands, millions, etc..).

3.2. Confidentiality Flag

Confidential flagging shall allow that the confidential data should not be suppressed in the data file sent to Eurostat but should be transmitted with a flag, so that the flagged data can be used for calculations. Flagged data will not be published.

Member States are required to carry out both primary and secondary confidentiality flagging of the national LCS tables (A, B and C) to be delivered to Eurostat.

The individual records transmitted for Tables A, B and C consist of grossed-up data. The risk of confidentiality can arise in Tables A, B and C when the number of enterprises or local units in the population is tiny for an individual record relating to a given economic activity, size class or region. Clearly, the risks are greater when the individual record relates to one or two large units. Likewise, the confidentiality risk can be higher for Tables B or C because of the additional breakdown by size class and region, respectively.

Whereas primary confidential flagging seems to represent no major problem, secondary confidential flagging is a slightly more complex issue. Therefore, see the following short example for primary and secondary confidential flagging.

Secondary confidentiality enters into play when a value for an aggregate is asked to be published without disclosing a value of its confidential element(s).

Example:

In the 3 tables below, columns are indicated by Roman figures, rows by Arabic ones. Column I indicates the NACE Rev. 2 sections B (mining and quarrying), C (manufacturing), D (Electricity, Gas, Steam and Air conditioning supply), and E (Water supply; Sewerage, Waste management and Remediation activities). Column II shows the number of employees in that particular NACE.

As shown in table (1), the call value 3II, being the smallest value in the table should be confidential. Hence primary confidential flagging (flag 1) should apply.

Table (1):

	I	**II**	**FLAG**
1	B	200	
2	C	80	
3	D	10	**1**
4	E	40	
5	B-E	330	

The secondary confidential flagging is necessary when publishing the aggregate's B-E cell-value (330) in row 5.This is because the cell-value for section D can be disclosed by subtraction (330-200-80-40=10).

To avoid this disclosure, an additional flag has to be introduced in the table. The additional flag may underlay a certain disclosure rule. The rule implies flagging a further cell, usually the one with the second-lowest value in column II (i.e. 40). Applying this rule, with primary (cell: 3II) and secondary (cell: 4II) confidential flagging, will look like in table (2):

Table (2):

	I	**II**	**FLAG**
1	B	200	
2	C	80	
3	D	10	**1**
4	E	40	**2**
5	B-E	330	

Finally, the table will look like the one below in table 3:

Table (3):

	I	**II**
1	B	200
2	C	80
3	D	**:**
4	E	**:**
5	B-E	330

The example above could be from any of the Table A results of LCS 2016. Based on the rule of the smallest un-flagged category (section, division), measured by the number of units, the whole row (all the variables) has to be flagged confidential, and is therefore neither published on Eurobase nor in any paper publication. The confidentiality flagging becomes more complex though when treating tables B and C, given their further breakdowns and their connection to table A and its flagging. Nevertheless, the principle stays the same.

Codes to be used for confidential flagging:

In order to separately distinguish ‘confidential’ records, three codes are to be used in Tables A, B and C:

‘1’ "primary confidential flag" - if the data for an individual record is confidential. This is the case when there is a low number of a "big" unit in the record;

‘2’ "secondary confidential flag" - if the data is not confidential according to the criteria of primary confidential flagging but, if the individual record needs to be suppressed to avoid identification of case "1" by subtraction;

‘ ’ when the data is not confidential, insert a space **‘ ’** (not a zero **‘0’**, nor a dash **‘-’**).

3.3. Technical format and transmission of data

3.3.1. Requirements

For data transmission, countries should use the technical format as stipulated in this chapter.

Three separate files should be transmitted, as follows:

– **Table A** – National data: one record for each economic activity at the aggregates, section and division levels of NACE Rev. 2. Data refer to enterprises with *10 or more employees*.

– **Table B** – National data by size class of the enterprise: one record for each economic activity at the aggregates, section and division levels of NACE Rev. 2, for each of the size classes. Data referring to small enterprises, if available, shall be included.

– **Table C** - Regional data: one record for each economic activity at the aggregates, section and division levels of NACE Rev. 2, for each of the regions at the NUTS 1 level. Table C is not required for those countries where NUTS 1 corresponds to the national level. Data refer to enterprises with *10 or more employees*.

The first record in each file should contain the column names, as set out in section 3.3.2.

The following overview shows which variables (marked by an "X") should be provided for each of the TABLES (A, B and C).

Variables		**A**	**B**	**C**
A. Number of employees				
A.1	Total number of employees	X	X	X
A.11	Full-time employees (excluding apprentices)	X	X	X
A.12	Part-time employees (excluding apprentices)	X	X	X
A.121	Part-time employees converted into full-time units (excluding apprentices)	X	X	X
A.13	Apprentices	X	X	X
A.131	Apprentices converted into full-time units	X	X	X
B. Hours actually worked				
B.1	Total hours actually worked	X	X	X
B.11	Hours actually worked by full-time employees (excluding apprentices)	X	X	X
B.12	Hours actually worked by part-time employees (excluding apprentices)	X	X	X
B.13	Hours actually worked by apprentices	X	X	X
C. Paid hours				
C.1	Total hours paid	X		
C.11	Paid hours for full-time employees (excluding apprentices)	X		
C.12	Paid hours for part-time employees (excluding apprentices)	X		
C.13	Paid hours for apprentices	X		
D. Labour costs				
D.1	Compensation of employees	X	X	X
D.11	Wages and salaries	X	X	X
D.111	Wages and salaries (excluding apprentices)	X	X	X
D.1111	Direct remuneration, bonuses and allowances	X	X	X
D.11111	Direct remuneration, bonuses and allowances paid in each pay period	X		
D.11112	Direct remuneration, bonuses and allowances not paid in each pay period	X		
D.1112	Payments to employees' savings schemes	X	X	X
D.1113	Payments for days not worked	X	X	X
D.1114	Wages and salaries in kind	X	X	X
D.11141	Company products (optional)	X		
D.11142	Staff housing (optional)	X		
D.11143	Company cars (optional)	X		
D.11144	Stock options and share purchase schemes (optional)	X		
D.11145	Other (optional)	X		
D.112	Wages and salaries of apprentices	X	X	X
D.12	Employers' social contributions	X	X	X
D.121	Employers' actual social contributions (excluding apprentices)	X	X	X
D.1211	Statutory social-security contributions	X		
D.1212	Collectively agreed, contractual and voluntary social-security contributions	X		
D.122	Employers' imputed social contributions (excluding apprentices)	X	X	X
D.1221	Guaranteed remuneration in the event of sickness (optional)	X		

Variables		A	B	C
D.1222	Employers' imputed social contributions for pensions and health care (optional)	X		
D.1223	Payments to employees leaving the enterprise (optional)	X		
D.1224	Other imputed social contributions of the employer (optional)	X		
D.123	Employers' social contributions for apprentices	X	X	X
D.2	Vocational training costs	X	X	X
D.3	Other expenditure paid by the employer	X	X	X
D.4	Taxes	X	X	X
D.5	Subsidies received by the employer	X	X	X
E. Information on units				
E.1	Local units, universe	X	X	X
E.2	Local units, sample	X	X	X

3.3.2. Structure of a record

The records are sorted by an *identification sequence* containing the following items:

- ✓ the year of the survey (2020),
- ✓ the type of table, (A, B or C),
- ✓ the country and region code,
- ✓ the economic activity code;
- ✓ the size class.

The records should contain a field per variable, even if the variable is not available (= NA), is optional and not completed (= OPT) or does not exist in the country (=0).

In the case when an economic activity does not exist in the country, the row for that particular NACE observation should still be included, with values equal to 0 (ZERO).

All NACE sections and size classes should be included in the file, even if data is not available (=NA) in the country or if it does not exist at all (=0).

The transmitted **file format** is **"csv"** and the separator is **";"** (semicolon). All records should strictly follow the numerical order of the variables. To separate the variables, semicolons are used.

Column name	Data length for fixed length	Data label
Identification of the record (left aligned)		
YEAR	4	Identification of the reference period (2020)
TABLE	1	Table Identification (A, B or C)
COUNTRY	5	Country or region
NACE	4	Economic Activity
SIZECLASS	8	Size of the enterprise
FLAG	1	Confidentiality Flag
Variables (right aligned)		
A1	18	Total number of employees
A11	18	Full-time employees (excluding apprentices)
A12	18	Part-time employees (excluding apprentices)
A121	18	Part-time employees converted into full-time units (excluding apprentices)
A13	18	Apprentices
A131	18	Apprentices converted into full-time units
B1	18	Total hours actually worked
B11	18	Hours actually worked by full-time employees (excluding apprentices)
B12	18	Hours actually worked by part-time employees (excluding apprentices)
B13	18	Hours actually worked by apprentices
C1	18	Total hours paid
C11	18	Paid hours for full-time employees (excluding apprentices)
C12	18	Paid hours for part-time employees (excluding apprentices)
C13	18	Paid hours for apprentices
D1	18	Compensation of employees
D11	18	Wages and salaries
D111	18	Wages and salaries (excluding apprentices)
D1111	18	Direct remuneration, bonuses and allowances
D11111	18	Direct remuneration, bonuses and allowances paid in each pay period
D11112	18	Direct remuneration, bonuses and allowances not paid in each pay period
D1112	18	Payments to employees' savings schemes
D1113	18	Payments for days not worked
D1114	18	Wages and salaries in kind
D11141	18	Company products (optional)
D11142	18	Staff housing (optional)
D11143	18	Company cars (optional)
D11144	18	Stock options and share purchase schemes (optional)
D11145	18	Other (optional)
D112	18	Wages and salaries of apprentices
D12	18	Employers' social contributions
D121	18	Employers' actual social contributions (excluding apprentices)
D1211	18	Statutory social-security contributions
D1212	18	Collectively agreed, contractual and voluntary social-security contributions
D122	18	Employers' imputed social contributions (excluding apprentices)
D1221	18	Guaranteed remuneration in the event of sickness (optional)
D1222	18	Employers' imputed social contributions for pensions and health care (optional)
D1223	18	Payments to employees leaving the enterprise (optional)
D1224	18	Other imputed social contributions of the employer (optional)
D123	18	Employers' social contributions for apprentices
D2	18	Vocational training costs
D3	18	Other expenditure paid by the employer
D4	18	Taxes
D5	18	Subsidies received by the employer
E1	18	Local units, universe
E2	18	Local units, sample

3.3.3. Data transmission via eDAMIS

According to the Single Entry Point concept, to allow close monitoring of data flows and to protect confidential data, LCS 2020 results shall be transmitted only via eDAMIS.

The data transmission is expected within 18 months after the reference year. Therefore, LCS 2020 data should be transmitted to Eurostat by **not later** than the **30th June 2022.**

The files (Tables A, B and C) shall be transmitted to Eurostat by using the following data identification codes:

- LACOST_A_4 (for table A);
- LACOST_B_4 (for table B);
- LACOST_C_4 (for table C);

3.4. Data validation

In advance to the detailed analysis made by each country in the specific Quality Report, Eurostat also plans to conduct some other checks, comparing main aggregates to the Labour Cost Index (LCI) monetary values, Labour Force Survey (LFS), Structural Business Statistics (SBS) and National Accounts (NA) data. . The aim is to detect cases where a given dataset is at odds with all other sources, hence denoting possibly implausible results.

These comparisons will be are carried out for both LCS2020 levels and for changes compared with LCS2016, as detailed below.

Hourly labour costs

LCS2020/2016 *growth rates* of the hourly labour costs should be compared, for all (part-time and full-time) employees including apprentices, working in an enterprise of 10 employee or more and belonging to NACE rev.2 sections B to S except O, with the corresponding 2020/2016 *growth rates* of the annual LCI (dataset: *lc_lci_r2_a* in Eurobase, variable 'Labour cost for LCI', NACE B to S).

Both LCS 2020 *levels* and LCS2020/2016 *growth rates* of the hourly labour costs should be compared, for all (part-time and full-time) employees including apprentices, working in an enterprise of 10 employee or more and belonging to NACE rev.2 sections B to S except O with the corresponding NA data (dataset: *nama_10_lp_ulc* in Eurobase, variable 'Compensation of employees per hours worked, in euros).

Total labour costs

Both LCS 2020 *levels* and LCS2020/2016 *growth rates* of the total labour costs should be compared, for all (part-time and full-time) employees including apprentices, working in an enterprise of 10 employee or more and belonging to NACE rev.2 sections B to N with the corresponding SBS data (dataset: *sbs_na_sca_r2* in Eurobase, variable 'Personnel costs', NACE sections B to N except K).

Number of employees

- The 2020 level and the 2020/2016 growth rate in the number of employees taken from LCS, for all (part-time and full-time) employees including apprentices, working in an enterprise of 10 employee or more and belonging to NACE rev.2 sections B to N should be compared with the corresponding SBS data (dataset: *sbs_na_sca_r2* in Eurobase, variable: 'Employees-number', NACE sections B to N except K).

- The 2020/2016 growth rate in the number of employees taken from LCS, for all (part-time and full-time) employees including apprentices, working in an enterprise of 10 employee or more and belonging to NACE rev.2 sections B to S except O should be compared with the corresponding 2020/2016 growth rate from LFS (dataset: *lfsa_eegaed* in Eurobase, variable:'Total number of employees', all ISCED levels, age 15 to 64).

Number of hours worked

- The 2020/2016 growth rate in the number of hours worked taken from LCS for all (part-time and full-time) employees including apprentices, working in an enterprise of 10 employee or more and belonging to NACE rev.2 sections B to S except O should be compared with the corresponding 2020/2016 growth rate from LFS (dataset: *lfsa_ewhun2* in Eurobase, variable: 'average number of usual weekly hours of work in main job', employees, total worktime, all NACE sections).

Simultaneously and in anticipation to the comparisons which countries have to conduct (in preparation to the LCS 2020 Quality Report) with national sources, we recommend countries to do such comparisons prior to sending their data to Eurostat.

Eurostat will check the data coding and do some arithmetic controls as explained below. However, we expect that countries validate and check the relationships between variables **before** sending their data to Eurostat.

NSIs are invited to run other basic checks prior to their data transmission, such as: E1 >= E2, E1 <> blank and E2 <> blank.

3.4.1. Checks on relationships between variables

For all equations a difference of 10 units is accepted.

TABLE **A**

A1	=	A11+A12+A13
B1	=	B11+B12+B13
C1	=	C11+C12+C13
D1	=	D11+D12
D11	=	D111+D112
D111	=	D1111+D1112+D1113+D1114
D1111	=	D11111+D11112
D1114	=	D11141+D11142+D11143+D11144+D11145
D12	=	D121+D122+D123
D121	=	D1211+D1212
D122	=	D1221+D1222+D1223+D1224

TABLES **B** and **C**

A1	=	A11+A12+A13
B1	=	B11+B12+B13
D1	=	D11+D12
D11	=	D111+D112
D111	=	D1111+D1112+D1113+D1114
D12	=	D121+D122+D123

3.4.2. Consistency checks

For all equations a difference of 10 units is accepted.

TABLES **A, B** and **C**

XB	=	X05+X06+X07+X08+X09
XC	=	X10+X11+X12+X13+X14+X15+X16+X17+X18+X19+X20+X21+X22+X23+X24+X25 +X26+X27+X28+X29+X30+X31+X32+X33
XD	=	X35
XE	=	X36+X37+X38+X39
XF	=	X41+X42+X43
XG	=	X45+X46+X47
XH	=	X49+X50+X51+X52+X53
XI	=	X55+X56

XJ = X58+X59+X60+X61+X62+X63

XK = X64+X65+X66

XL = X68

XM = X69+X70+X71+X72+X73+X74+X75

XN = X77+X78+X79+X80+X81+X82

XO = X84

XP = X85

XQ = X86+X87+X88

XR = X90+X91+X92+X93

XS = X94+X95+X96

XB_S = XB+XC+XD+XE+XF+XG+XH+XI+XJ+XK+XL+XM+XN+XP+XQ+XR+XS

XBSO = XB+XC+XD+XE+XF+XG+XH+XI+XJ+XK+XL+XM+XN+XO+XP+XQ+XR+XS

XB_N = XB+XC+XD+XE+XF+XG+XH+XI+XJ+XK+XL+XM+XN

XB_F = XB+XC+XD+XE+XF

XB_E = XB+XC+XD+XE

XG_S = XG+XH+XI+XJ+XK+XL+XM+XN+XP+XQ+XR+XS

XGSO = XG+XH+XI+XJ+XK+XL+XM+XN+XO+XP+XQ+XR+XS

XG_N = XG+XH+XI+XJ+XK+XL+XM+XN

XG_J = XG+XH+XI+XJ

XK_N = XK+XL+XM+XN

XO_S = XO+XP+XQ+XR+XS

XP_S = XP+XQ+XR+XS

3.4.3. Cross checks between tables

TABLE **A-B**:

Check whether the data broken down by size of enterprise (in TABLE B) adds up to the national figures (in TABLE A) for variables A1, B1, D1 and E1.

TABLE **A-C**

Check whether the regional data (in TABLE C) adds up to the national figures (in Table A) for variables A1, B1, D1, and E1.

Eurostat will send validation reports to the countries indicating which of above mentioned checks are not fulfilled.

3.5. Eurostat calculations

Based on the results transmitted by countries Eurostat computes a set of indicators published in Eurobase tables. Following tables (3.5.1. and 3.5.2.) provide information on the name and label of those variables as well as the formula for calculation of mentioned variables.

*3.5.1. Calculated variables for tables **A, B** and **C***

In Eurobase, the same code may refer to different calculations, depending on the breakdowns (with/without apprentices, by year/month/hour,by full-time/part-time/full-time equivalent)

Variable name	**Eurobase code LCSTRUC**	**Eurobase code INDIC_LC**	**Eurobase code WORKTIME**	**Formula**	**Label**
EMPL_TOT	N/A	SAL	TOTAL	A11+A12	Total number of employees (without apprentices)
EMPL_FTU	N/A	SAL	TOT_FTE	A11+A121	Total number of employees in FTU
	N/A				
HW_TOT	N/A	HW_SAL_Y	TOTAL	B11+B12	Total number of hours worked (without apprentices)
HW_FT	N/A	HW_SAL_AVG	FT	B11/A11	Average hours actually worked by FT employees per year
HW_PT	N/A	HW_SAL_AVG	PT	B12/A12	Average hours actually worked by PT employees per year
HW_FTU	N/A	HW_SAL_AVG	AVG_FTE	HW_TOT / EMPL_FTU	Average hours actually worked in FTU per year
	N/A				
HW_APP	N/A	HW_APP_AVG	TOTAL	B13/A13	Average hours actually worked by apprentices per year
HW_APP_FTU	N/A	HW_APP_AVG	AVG_FTE	B13/A131	Average hours actually worked by apprentices in FTU per year
COST1_TOT	D	N/A	N/A	D1+D2+D3+D4-D5	Total cost with apprentices
COST2_TOT	D01	N/A	N/A	D111+D121+D122+D2+D3+D4-D5	Total cost without apprentices

Variable name	Eurobase code LCSTRUC	Eurobase code INDIC_LC	Eurobase code WORKTIME	Formula	Label
COST_YEAR	D01	N/A	N/A	COST2_TOT / EMPL_FTU	Annual cost per employee in FTU without apprentices
COST_MTH	D01	N/A	N/A	COST_YEAR / 12	Monthly cost without apprentices
COST_HOUR	D01	N/A	N/A	COST2_TOT / HW_TOT	Hourly cost without apprentices
COST_SAL_H	D	N/A	N/A	COST1_TOT / (B11 + B12 + B13)	Hourly cost with apprentices
DIRC_YEAR	D111	N/A	N/A	D111 / EMPL_FTU	Annual direct cost without apprentices
DIRC_MTH	D111	N/A	N/A	DIRC_YEAR / 12	Monthly direct cost without apprentices
DIRC_HOUR	D111	N/A	N/A	D111 / HW_TOT	Hourly direct cost without apprentices
		N/A	N/A		
WAG_YEAR	D1111	N/A	N/A	D1111 / EMPL_FTU	Annual direct remuneration and bonuses without apprentices
WAG_MTH	D1111	N/A	N/A	WAG_YEAR / 12	Monthly direct remuneration and bonuses without apprentices
WAG_HOUR	D1111	N/A	N/A	D1111 / HW_TOT	Hourly direct remuneration and bonuses without apprentices
COSTA_TOT	D02	N/A	N/A	D112 + D123	Cost for apprentices
COSTA_YEAR	D02	N/A	N/A	COSTA_TOT / A131	Annual cost for apprentices
COSTA_MTH	D02	N/A	N/A	COSTA_YEAR / 12	Monthly cost for apprentices
COSTA_HOUR	D02	N/A	N/A	COSTA_TOT / B13	Hourly cost for apprentices
		N/A	N/A		
WAGA_YEAR	D112	N/A	N/A	D112 / A131	Annual remuneration for apprentices
WAGA_MTH	D112	N/A	N/A	WAGA_YEAR / 12	Monthly remuneration for apprentices
WAGA_HOUR	D112	N/A	N/A	D112 / B13	Hourly remuneration for apprentices
		N/A	N/A		
STR_D1	D1	N/A	N/A	D1 / COST1_TOT * 100	Compensation of employees
STR_D11	D11	N/A	N/A	D11 / COST1_TOT * 100	Wages and salaries
STR_D111	D111	N/A	N/A	D111 / COST1_TOT * 100	Wages and salaries (excluding apprentices)
STR_D1111	D1111	N/A	N/A	D1111 / COST1_TOT * 100	Direct remuneration, bonuses and allowances

Variable name	Eurobase code LCSTRUC	Eurobase code INDIC_LC	Eurobase code WORKTIME	Formula	Label
STR_D1112	D1112	N/A	N/A	D1112 / COST1_TOT * 100	Payments to employees savings schemes
STR_D1113	D1113	N/A	N/A	D1113 / COST1_TOT * 100	Payments for days not worked
STR_D1114	D1114	N/A	N/A	D1114 / COST1_TOT * 100	Wages and salaries in kind
STR_D112	D112	N/A	N/A	D112 / COST1_TOT * 100	Wages and salaries of apprentices
STR_D12	D12	N/A	N/A	D12 / COST1_TOT * 100	Employers' social contributions (total)
STR_D121	D121	N/A	N/A	D121 / COST1_TOT * 100	Employers' actual social contributions (excluding apprentices)
STR_D122	D122	N/A	N/A	D122 / COST1_TOT * 100	Employers' imputed social contributions (excluding apprentices)
STR_D123	D123	N/A	N/A	D123 / COST1_TOT * 100	Employers' social contributions for apprentices
STR_D2	D2	N/A	N/A	D2 / COST1_TOT * 100	Vocational training costs
STR_D3	D3	N/A	N/A	D3 / COST1_TOT * 100	Other expenditure
STR_D4	D4	N/A	N/A	D4 / COST1_TOT * 100	Taxes
STR_D5	D5	N/A	N/A	D5 / COST1_TOT * 100	Subsidies received by the employer

*3.5.2. Calculated variables for table **A***

Variable name	**Eurobase code LCSTRUC**	**Eurobase code INDIC_LC**	**Eurobase code WORKTIME**	**Formula**	**Label**
HP_TOT	N/A	HP_SAL_Y	N/A	C11+C12	Total number of hours paid (without apprentices)
HP_FT	N/A	HP_SAL_AVG	FT	C11/A11	Average paid hours for FT employees per year
HP_PT	N/A	HP_SAL_AVG	PT	C12/A12	Average paid hours for PT employees per year
HP_FTU	N/A	HP_SAL_AVG	AVG_FTE	HP_TOT / EMPL_FTU	Average paid hours for FTU per year
HP_APP	N/A	HP_APP_AVG	TOTAL	C13/A13	Average paid hours for apprentices per year
HP_APP_FTU	N/A	HP_APP_AVG	AVG_FTE	C13/A131	Average paid hours for apprentices in FTU per year
HP_FTU_DIV_HW_FTU	N/A	HP_HW_RAT	N/A	HP_FTU/HW_FTU	Ratio hours paid vs. hours worked
HP_FTU_HW_FTU	N/A	HP_NHW	N/A	HP_FTU-HW_FTU	Hours actually paid but not worked
STR_D11111	D11111	N/A	N/A	D11111 / COST1_TOT * 100	Direct remuneration, bonuses and allowances paid in each pay period
STR_D11112	D11112	N/A	N/A	D11112 / COST1_TOT * 100	Direct remuneration, bonuses and allowances not paid in each pay period
STR_D11141	D11141	N/A	N/A	D11141 / COST1_TOT * 100	Company products (optional)
STR_D11142	D11142	N/A	N/A	D11142 / COST1_TOT * 100	Staff housing (optional)
STR_D11143	D11143	N/A	N/A	D11143 / COST1_TOT * 100	Company cars (optional)
STR_D11144	D11144	N/A	N/A	D11144 / COST1_TOT * 100	Stock options and share purchase schemes (optional)
STR_D11145	D11145	N/A	N/A	D11145 / COST1_TOT * 100	Other (optional)
STR_D1211	D1211	N/A	N/A	D1211 / COST1_TOT * 100	Statutory social security contributions
STR_D1212	D1212	N/A	N/A	D1212 / COST1_TOT * 100	Collectively agreed, contractual and voluntary social security contributions
STR_D1221	D1221	N/A	N/A	D1221 / COST1_TOT * 100	Guaranteed remuneration in the event of sickness (optional)
STR_D1222	D1222	N/A	N/A	D1222 / COST1_TOT * 100	Employers' imputed social contributions for

Variable name	Eurobase code LCSTRUC	Eurobase code INDIC_LC	Eurobase code WORKTIME	Formula	Label
					pensions and health care (optional)
STR_D1223	D1223	N/A	N/A	D1223 / COST1_TOT * 100	Payments to employees leaving the enterprise (optional)
STR_D1224	D1224	N/A	N/A	D1224 / COST1_TOT * 100	Other imputed social contributions of the employer (optional)

4. ANNEXES

4.1. Commission Regulation (EC) No 1737/2005 of 21 October 2005 amending Regulation (EC) No 1726/1999 as regards the definition and transmission of information on labour costs (Text with EEA relevance)

4.2. Commission Regulation (EC) No 698/2006 of 5 May 2006 implementing Council Regulation (EC) No 530/1999 as regards quality evaluation of structural statistics on labour costs and earnings

4.3. List of codes to be used for the variables

4.4. Distinguishing apprentices from trainees and other employees

4.5. Guidance note on the recording of government schemes related to the COVID-19 crisis

Annex 4.1

Commission Regulation (EC) No 1737/2005 of 21 October 2005 amending Regulation (EC) No 1726/1999 as regards the definition and transmission of information on labour costs (Text with EEA relevance)

See link:

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32005R1737&from=EN

Annex 4.2

Commission Regulation (EC) No 698/2006 of 5 May 2006 implementing Council Regulation (EC) No 530/1999 as regards quality evaluation of structural statistics on labour costs and earnings

See link:

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R0698&from=EN

Annex 4.3

1. COUNTRY OR REGIONAL CODES FOR THE LOCAL UNIT (NUTS 2016)

Only use the NUTS codes given here. For those Member States where the NUTS 1 level corresponds to the national level, please use the country code.

Code	Country	NUTS Level 1
AT	**ÖSTERREICH**	
AT1		OSTÖSTERREICH
AT2		SÜDÖSTERREICH
AT3		WESTÖSTERREICH
BE	**BELGIQUE-BELGIË**	
BE1		RÉGION DE BRUXELLES-CAPITALE / BRUSSELS HOOFDSTEDELIJK GEWEST
BE2		VLAAMS GEWEST
BE3		RÉGION WALLONNE
BG	**BULGARIA**	
BG3		SEVERNA I IZTOCHNA BULGARIA
BG4		YUGOZAPADNA I YUZHNA TSENTRALNA BULGARIA
CY	**KYPROS / KIBRIS**	
CZ	**CESKA REPUBLIKA**	
DE	**DEUTSCHLAND**	
DE1		BADEN-WÜRTTEMBERG
DE2		BAYERN
DE3		BERLIN
DE4		BRANDENBURG
DE5		BREMEN
DE6		HAMBURG
DE7		HESSEN
DE8		MECKLENBURG-VORPOMMERN
DE9		NIEDERSACHSEN
DEA		NORDRHEIN-WESTFALEN
DEB		RHEINLAND-PFALZ
DEC		SAARLAND
DED		SACHSEN
DEE		SACHSEN-ANHALT
DEF		SCHLESWIG-HOLSTEIN
DEG		THÜRINGEN

Code	COUNTRY	NUTS Level 1
DK	**DANMARK**	
EE	**EESTI**	
ES	**ESPAÑA**	
ES1		NOROESTE
ES2		NORESTE
ES3		COMUNIDAD DE MADRID
ES4		CENTRO (ES)
ES5		ESTE
ES6		SUR
ES7		CANARIAS
FI	**SUOMI / FINLAND**	
FI1		MANNER-SUOMI
FI2		ÅLAND
FR	**FRANCE**	
FRB		CENTRE-VAL-DE-LOIRE
FRC		BOURGOGNE-FRANCHE-COMTE
FRD		NORMANDIE
FRE		NORD-PAS-DE-CALAIS-PICARDIE
FRF		ALSACE-CHAMPAGNE-ARDENNE-LORRAINE
FRG		PAYS-DE-LA-LOIRE
FRH		BRETAGNE
FRI		AQUITAINE-LIMOUSIN-POITOU-CHARENTES
FRJ		LANGUEDOC-ROUSSILLON-MIDI-PYRENEES
FRK		AUVERGNE-RHÔNE-ALPES
FRL		PROVENCE-ALPES-CÔTE D'AZUR
FRM		CORSE
FRY		RUP FR—REGIONS ULTRAPERIFERIQUES FRANCAISES
EL	**ELLADA**	
EL3		ATTIKI
EL4		NISIA AIGAIOU, KRITI
EL5		VOREIA ELLADA
EL6		KENTRIKI ELLADA
HR	**HRVATSKA**	
HU	**MAGYARORSZAG**	
HU1		KOZEP-MAGYARORSZAG
HU2		DUNANTUL
HU3		ALFOLD ES ESZAK
IE	**IRELAND**	
IT	**ITALIA**	
ITC		NORD-OVEST
ITF		SUD
ITG		ISOLE
ITH		NORD-EST
ITI		CENTRO (IT)
LT	**LIETUVA**	
LU	**LUXEMBOURG (GRAND-DUCHÉ)**	
LV	**LATVIJA**	
MT	**MALTA**	
NL	**NEDERLAND**	
NL1		NOORD-NEDERLAND
NL2		OOST-NEDERLAND
NL3		WEST-NEDERLAND
NL4		ZUID-NEDERLAND

Code	COUNTRY	NUTS Level 1
PL	**POLSKA**	
PL2		MAKROREGION POLUDNIOWY
PL4		MAKROREGION POLNOCNO-ZACHODNI
PL5		MAKROREGION POLUDNIOWO-ZACHODNI
PL6 PL7 PL8 PL9		MAKROREGION POLNOCNY MAKROREGION CENTRALNY MAKROREGION WSCHODNI MAKROREGION WOJEWODZTWO MAZOWIECKIE
PT	**PORTUGAL**	
PT1		CONTINENTE
PT2		REGIÃO AUTÓNOMA DOS AÇORES
PT3		REGIÃO AUTÓNOMA DA MADEIRA
RO	**ROMANIA**	
RO1		MACROREGIUNEA UNU
RO2		MACROREGIUNEA DOI
RO3		MACROREGIUNEA TREI
RO4		MACROREGIUNEA PATRU
SE	**SVERIGE**	
SE1		ÖSTRA SVERIGE
SE2		SÖDRA SVERIGE
SE3		NORRA SVERIGE
SI	**SLOVENIJA**	
SK	**SLOVENSKA REPUBLIKA**	
UK	**UNITED KINGDOM**	
UKC		NORTH EAST (ENGLAND)
UKD		NORTH WEST (ENGLAND)
UKE		YORKSHIRE AND THE HUMBER
UKF		EAST MIDLANDS (ENGLAND)
UKG		WEST MIDLANDS (ENGLAND)
UKH		EAST OF ENGLAND
UKI		LONDON
UKJ		SOUTH EAST (ENGLAND)
UKK		SOUTH WEST (ENGLAND)
UKL		WALES
UKM		SCOTLAND
UKN		NORTHERN IRELAND
MK	**REPUBLIKA SEVERNA MAKEDONIJA**	
RS	**SERBIA**	
RS1		SERBIA NORTH
RS2		SERBIA SOUTH
TR	**TURKIYE**	
TR1		ISTANBUL
TR2		BATI MARMARA
TR3		EGE
TR4		DOGU MARMARA
TR5		BATI ANADOLU
TR6		AKDENIZ
TR7		ORTA ANADOLU
TR8		BATI KARADENIZ

Code	COUNTRY	NUTS Level 1
TR9		DOGU KARADENIZ
TRA		KUZEYDOGU ANADOLU
TRB		ORTADOGU ANADOLU
TRC		GUNEYDOGU ANADOLU
CH	**SCHWEIZ/SUISSE/SVIZZERA**	
IS	**ÍSLAND**	
LI	**LIECHTENSTEIN**	
NO	**NORGE**	
AL	**REPUBLIC OF ALBANIA**	
BA	**BOSNA I HERCEGOVINA**	
ME	**MONTENEGRO**	

2. CODES FOR ECONOMIC ACTIVITIES (NACE REV. 2)

2.1 NACE REV. 2 – *Codes to be used for tables A, B and C*

Only use the NACE Rev. 2 codes given here (i.e. use XB, XC, X05, X06, etc..)

Any other codes will not be accepted.

Title	Code
Section B Mining and quarrying	**XB**
05 Mining of coal and lignite	X05
06 Extraction of crude petroleum and natural gas	X06
07 Mining of metal ores	X07
08 Other mining and quarrying	X08
09 Mining support service activities	X09
Section C Manufacturing	**XC**
10 Manufacture of food products	X10
11 Manufacture of beverages	X11
12 Manufacture of tobacco products	X12
13 Manufacture of textiles	X13
14 Manufacture of wearing apparel	X14
15 Manufacture of leather and related products	X15
16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	X16
17 Manufacture of paper and paper products	X17
18 Printing and reproduction of recorded media	X18
19 Manufacture of coke and refined petroleum products	X19
20 Manufacture of chemicals and chemical products	X20
21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	X21
22 Manufacture of rubber and plastic products	X22
23 Manufacture of other non-metallic mineral products	X23
24 Manufacture of basic metals	X24
25 Manufacture of fabricated metal products, except machinery and equipment	X25
26 Manufacture of computer, electronic and optical products	X26
27 Manufacture of electrical equipment	X27
28 Manufacture of machinery and equipment n.e.c.	X28
29 Manufacture of motor vehicles, trailers and semi-trailers	X29
30 Manufacture of other transport equipment	X30
31 Manufacture of furniture	X31
32 Other manufacturing	X32
33 Repair and installation of machinery and equipment	X33
Section D Electricity, gas, steam and air conditioning supply	**XD**
35 Electricity, gas, steam and air conditioning supply	X35

Section E Water supply; sewerage, waste management and remediation activities	**XE**
36 Water collection, treatment and supply	X36
37 Sewerage	X37
38 Waste collection, treatment and disposal activities; materials recovery	X38
39 Remediation activities and other waste management services	X39
Section F Construction	**XF**
41 Construction of buildings	X41
42 Civil engineering	X42
43 Specialised construction activities	X43
Section G Wholesale and retail trade; repair of motor vehicles and motorcycles	**XG**
45 Wholesale and retail trade and repair of motor vehicles and motorcycles	X45
46 Wholesale trade, except of motor vehicles and motorcycles	X46
47 Retail trade, except of motor vehicles and motorcycles	X47
Section H Transportation and storage	**XH**
49 Land transport and transport via pipelines	X49
50 Water transport	X50
51 Air transport	X51
52 Warehousing and support activities for transportation	X52
53 Postal and courier activities	X53
Section I Accommodation and food service activities	**XI**
55 Accommodation	X55
56 Food and beverage service activities	X56
Section J Information and communication	**XJ**
58 Publishing activities	X58
59 Motion picture, video and television programme production, sound recording and music publishing activities	X59
60 Programming and broadcasting activities	X60
61 Telecommunications	X61
62 Computer programming, consultancy and related activities	X62
63 Information service activities	X63
Section K Financial and insurance activities	**XK**
64 Financial service activities, except insurance and pension funding	X64
65 Insurance, reinsurance and pension funding, except compulsory social security	X65
66 Activities auxiliary to financial services and insurance activities	X66
Section L Real estate activities	**XL**
68 Real estate activities	X68
Section M Professional, scientific and technical activities	**XM**
69 Legal and accounting activities	X69
70 Activities of head offices; management consultancy activities	X70
71 Architectural and engineering activities; technical testing and analysis	X71
72 Scientific research and development	X72
73 Advertising and market research	X73
74 Other professional, scientific and technical activities	X74
75 Veterinary activities	X75

Section N Administrative and support service activities	**XN**
77 Rental and leasing activities	X77
78 Employment activities	X78
79 Travel agency, tour operator and other reservation service and related activities	X79
80 Security and investigation activities	X80
81 Services to buildings and landscape activities	X81
82 Office administrative, office support and other business support activities	X82
Section O Public administration and defence; compulsory social security	**XO**
84 Office administrative, office support and other business support activities	X84
Section P Education	**XP**
85 Education	X85
Section Q Human health and social work activities	**XQ**
86 Human health activities	X86
87 Residential care activities	X87
88 Social work activities without accommodation	X88
Section R Arts, entertainment and recreation	**XR**
90 Creative, arts and entertainment activities	X90
91 Libraries, archives, museums and other cultural activities	X91
92 Gambling and betting activities	X92
93 Sports activities and amusement and recreation activities	X93
Section S Other service activities	**XS**
94 Activities of membership organisations	X94
95 Repair of computers and personal and household goods	X95
96 Other personal service activities	X96
NACE Rev. 2 Aggregates	
Industry, construction and services B-S (**not including** section O)	**XB_S**
Industry, construction and services B-S (**including** section O)	**XBSO**
Business economy B-N	**XB_N**
Industry and construction B-F	**XB_F**
Industry (except construction) B-E	**XB_E**
Services (except public administration, defense, compulsory social security, activities of households as employers and extra-territorial organizations and bodies) G-S **(not including** section O)	**XG_S**
Services G-S (**including** section O)	**XGSO**
Services of the business economy G-N	**XG_N**
Wholesale and retail trade, transport, accommodation and food service activities; Information and communication G-J	**XG_J**
Financial and insurance activities; Real estate activities; Professional, scientific and technical activities; Administrative and support service activities K-N	**XK_N**
Public administration, defence, education, human health, social work activities, arts, entertainment, recreation and other service activities O-S	**XO_S**
Education; Human health and social work activities; Arts, entertainment and recreation; Other service activities P-S	**XP_S**

3. CODES FOR THE SIZE OF THE ENTERPRISE

Codes for Tables A and C only

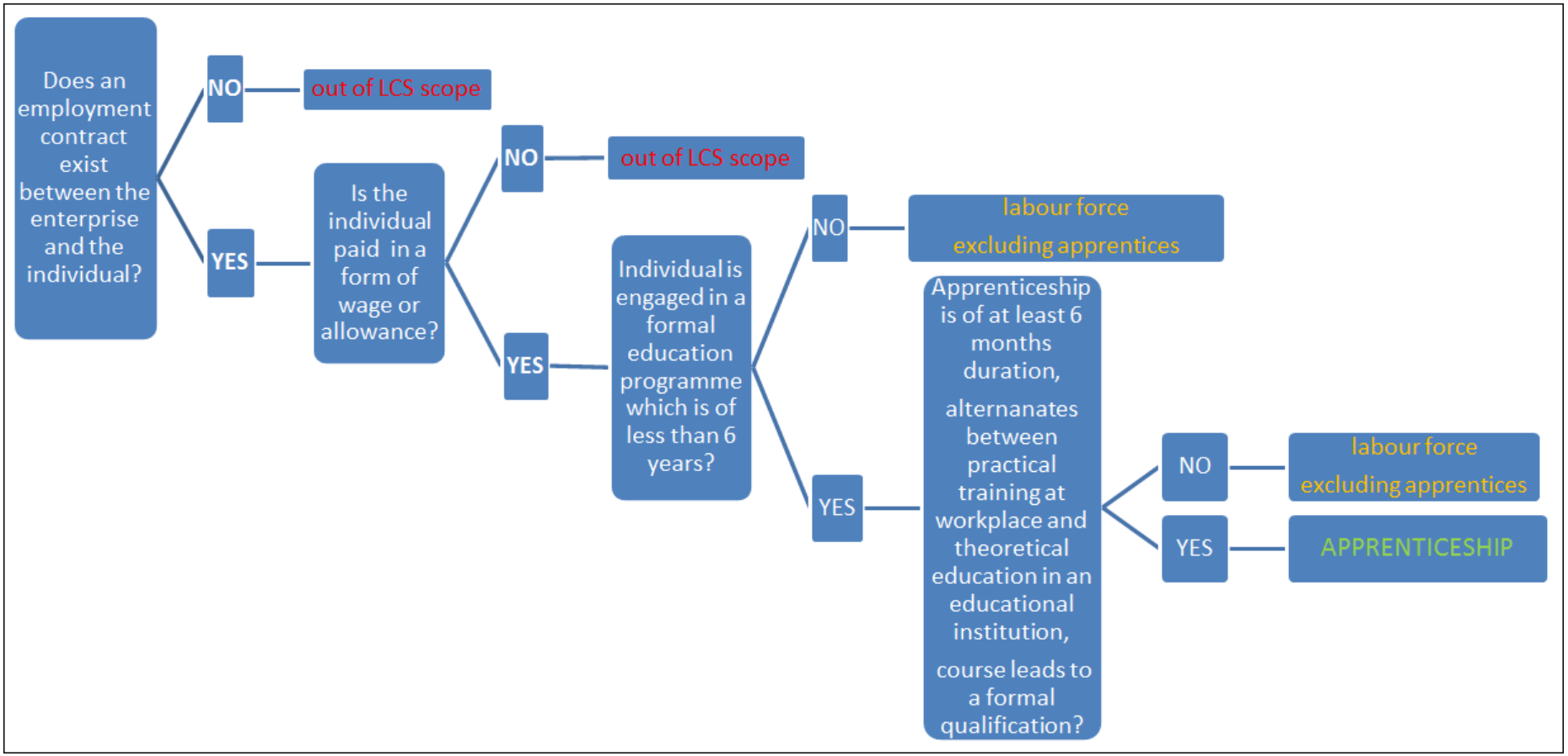
CODE	SIZE OF ENTERPRISE
E10	Enterprises with 10 or more employees

Codes for size classes: for Table B only

CODES	SIZE OF ENTERPRISE
E1_9	Between 1 and 9 employees
E10_49	Between 10 and 49 employees
E50_249	Between 50 and 249 employees
E250_499	Between 250 and 499 employees
E500_999	Between 500 and 999 employees
E1000	1 000 or more employees

Annex 4.4

Distinguishing apprentices from trainees and other employees



Annex 4.5

Methodological note

LABOUR COST STATISTICS
GUIDANCE NOTE ON THE RECORDING OF GOVERNMENT SCHEMES RELATED TO THE COVID-19 CRISIS

EUROSTAT, DIRECTORATE F,

UNIT F3 — LABOUR MARKET AND LIFELONG LEARNING

24 APRIL 2020

Background

To mitigate the economic consequences of the COVID pandemic, most EU government have introduced new schemes - or extended existing ones far beyond their initial scope and conditions – that modify the working arrangements between employers and employees.

The most common schemes support employers and/or employees for all or part of the revenue losses caused by the crisis.

For instance, in case of short-time work arrangements, government may refund part of the labour costs, i.e. wages and/or social contributions borne by the employer. This can be seen as a compensation for maintaining wages despite the lower productivity of employees due to a reduced number of hours worked and, for those, to the loss of efficiency caused by consignment at home or other protection measures.

In case of temporary lay-offs, whereby employees do not work anymore for a period of time, the government may fully refund the wage bill paid by employers.

Such schemes impact the main variables collected in labour cost statistics, such as hours worked, hours paid, wage and non-wage costs. It is therefore important to record them in official statistics in a harmonized way across the European Union.

LABOUR COST STATISTICS

Labour cost statistics measure the cost of the production factor 'labour' for employers as well as the derived revenue (earnings) for their employees. For this purpose, data are collected on the volume of hours worked and paid, on the amounts paid by the employer in relation to employing labour as well as on the taxes and subsidies on labour collected (respectively paid) by government. Labour statistics also define the concept of employees to be included in their scope.

Labour costs are defined as:

Wage and salaries (D.11)

+ Social contributions payable by the employer (D.12)

+ Vocational training costs (D.2)

+ Other expenditure paid by the employer (D.3)

+ Taxes (on labour) paid by the employer (D.4)

- Subsidies (on labour) received by the employer (D.5)

Labour cost statistics are used as a source for indicators on labour productivity and should therefore appropriately reflect the volume of labour input, i.e. the number of hours actuallyworked, as well as the corresponding net costs for the employer. Moreover, any mismatch between the numerator (labour costs) and the denominator (hours actually worked) should be avoided to the extent possible.

Within the EU, the main methodological concepts used in labour cost statistics are described in Commission Regulation 1737/2005([3]) which is consistent with SNA/ESA standards. Further guidance can be found in ESA2010([4]).

The concepts and definitions that are most relevant for a harmonized recording of COVID-related schemes are provided in annex to this document.

Recording of COVID-related arrangements

The most typical schemes introduced or extended by governments in the context of the COVID pandemic are short-time work on the one hand and temporary lay-offs on the other hand.

Under short-time work and assimilated schemes, the employee works a lower number of hours and is compensated for the hours not worked by its employer, government or both. The employer may compensate employees due to contractual obligations and collective agreements in force or at its discretion.

In the case of temporary lay-offs, the employee keeps an attachment to its job, in the form of an employment contract, but is temporarily not working. The employee is financially compensated, at least partially, by government funds that may transit or not through the employer.

([3]) https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32005R1737

([4]) https://ec.europa.eu/eurostat/documents/3859598/5925693/KS-02-13-269-EN.PDF/44cd9d01-bc64-40e5-bd40-d17df0c69334

I. EMPLOYEES

Under short-time work, temporary lay-offs and their many variants, employees remain within the scope of labour cost statistics which cover: *'all persons irrespective of their nationality or the length of their working time in the country who have a direct employment contract with the enterprise or local unit (whether the agreement is formal or informal) and receive remuneration, irrespective of the type of work performed, the number of hours worked (full-time or part-time) and the duration of the contract (fixed or indefinite)'*.

II. HOURS WORKED AND PAID

Only *hours actually worked* should be recorded in labour cost statistics, insofar as they contribute to the production of goods and services (within the ESA production boundaries), be it with a lower productivity due to the constraints imposed by the measures taken in the context of the COVID-19 pandemic.

For instance, employees who telework should have their hours recorded as hours actually worked provided they can be reached by their employer during the usual working hours. Employees under short time work should record the lower number of hours actually worked.

By contrast, no hours worked should be recorded for employees who are locked down at home with no possibility to work on the tasks assigned by their employer nor for employees under temporary lay-offs.

To be recorded as *hours paid*, the employee should have been paid by the employer, at a full or reduced rate. This is also the case when the corresponding labour costs (wages and social contributions) paid by the employer are partially compensated by government.

When labour costs are fully compensated by government, the corresponding hours will be recorded as hours paid only if they correspond to hours actually worked. In case of temporary lay-offs for instance, under which the employee is neither working nor paid by the employer, no hour actually worked nor paid will be recorded even if the employee still perceives a remuneration through the wage bill issued by the employer (and fully refunded by government).

III. LABOUR COSTS

For an appropriate recording of short-time work, temporary lay-offs and their many variants, it is necessary to distinguish among the different situations in terms of hours worked by the employee and the hours paid by the employer.

Case 1: full number of hours worked, hours paid partially or fully refunded

In this case, the employee works the usual number of hours, be it through teleworking, and is paid by the employer which is partially or fully refunded by government e.g. to compensate for lower productivity.

The corresponding wages and salaries are recorded as D. 11, social contributions payable by the employer as D.12 (net of subsidies) and government refunds on wages as subsidies (D.5).

Hours actually worked are recorded as well as the hours paid, be they partially or fully refunded.

Rationale: labour costs statistics record the hours actually worked during the reference period and the corresponding remuneration. Government refunds are treated as subsidies (for wages) and deducted from social contributions (when reduced) as they reduce the labour costs normally borne by the employer for employing labour.

Impact on main indicators: hourly wage costs remain constant, or decrease if social contributions are reduced, and hourly labour costs decrease due to lower non-wage costs (subsidies).

Case 2: lower number of hours worked, hours paid partially or fully refunded

In this case, typical of short-time working arrangements, wages and salaries corresponding to hours actually worked are recorded as D.11. Wage and salaries paid for hours not worked are recorded as D.11 if they are paid at the discretion of the employer. They are recorded as D.1224 ('other imputed social contributions'), net of any subsidies, if the employer has the obligation to pay them under the working contract or the applicable collective agreements. Social contributions for all hours paid are recorded as D.12, net of any subsidies. Government refunds of wages are recorded as subsidies (D.5).

Hours actually worked are recorded as well as the hours paid, be they partially or fully refunded.

Rationale: labour costs statistics record the hours actually worked during the reference period and the corresponding remuneration. When the employer has the obligation to pay the wages despite a reduced number of working hours, this is considered as an insurance financed by imputed social contributions. Government refunds are treated as subsidies (for wages) and deducted from social contributions (when reduced) as they reduce the labour costs normally borne by the employer for employing labour.

Impact on main indicators: hourly wage costs typically increase, due to a lower number of hours worked, unless this is compensated by lower social contributions. This is fully or partially compensated by a symmetric decrease in non-wage costs (subsidies). Hourly labour costs remain constant if all effects exactly compensate each other.

Case 3: no hour worked, hours paid partially refunded

In this case, the employee is prevented from working but the employer still pays at least part of the wages and social contributions. The employer is then partially refunded by government from the labour costs incurred.

Wage and salaries paid are recorded as D. 1113 (payments for days not worked) if they are paid at the discretion of the employer. They are recorded as D.1224 ('other imputed social contributions'), net of any subsidies, if the employer has the obligation to pay them under the working contract or the applicable collective agreements. Social contributions for all hours paid are recorded as D.12, net of any subsidies. Government refunds of wages are recorded as subsidies (D.5).

The hours paid are recorded but no hour actually worked.

Rationale: there is no hour worked but wages and salaries and social contributions are recorded for the corresponding amounts paid by the employer to the employees. Government refunds are treated as subsidies (for wages) and deducted from social contributions (when reduced) as they reduce the labour costs normally borne by the employer for employing labour.

Impact on main indicators: hourly wage costs cannot be calculated at the level of the enterprise/local unit as there was no hour worked. Wage and salaries typically decrease as well as non-wage costs (due to subsidies). Hourly labour costs cannot be calculated at the level of the enterprise/local unit while total labour costs decrease.

Case 4: no hour worked, hours not paid or fully refunded

In this case, typical of temporary lay-offs, the employee is not working but is paid by government, at a full or lower rate, either directly (i.e. hours not paid by the employer) or through the channel of its employer (hours paid fully refunded). In both cases, no wages and salaries (D11) and no subsidies (D.5) are recorded in labour cost statistics.

No hour actually worked nor hour paid is recorded.

Rationale: there is no hour worked and no wages and salaries nor social contributions are paid by the employer or, when they are, the corresponding costs are fully compensated by government. Government refunds are treated, for the wage part, as current transfers from government to the employer and from the employer to the employees. Social contributions are not recorded, being zero in net terms. The employer is deemed to act as an agent of government whose financial support to employees only transits through the employer. This way, the accounting treatment is the same irrespective of whether government funds transit through the employer or not.

Impact on main indicators: hourly wage costs cannot be calculated at the level of the enterprise/local unit as there was no hour worked. No wages and salaries nor social contributions are recorded. Hourly labour costs cannot be calculated at the level of the enterprise/local unit and no amount is recorded as total labour costs.

IV. TIME OF RECORDING

Both wages and salaries (D.11) and social contributions (D.12) are recorded at the time the work is done. Even in case government allows differed payments, social contributions should be recorded at the reference period when the corresponding hours worked were reported.

Annex

EU legislation on labour cost statistics – main methodological concepts –

The most relevant parts of the EU acquis are provided below, as stated in Commission Regulation 1737/2005 including annexes.

1. EMPLOYEES

Employees are all persons irrespective of their nationality or the length of their working time in the country who have a direct employment contract with the enterprise or local unit (whether the agreement is formal or informal) and receive remuneration, irrespective of the type of work performed, the number of hours worked (full-time or part-time) and the duration of the contract (fixed or indefinite). The remuneration of employees can take the form of wages and salaries including bonuses, pay for piecework and shift work, allowances, fees, tips and gratuities, commission and remuneration in kind.

The following list gives illustrative examples of categories of employees that are included:

— …

— outworkers (3), including home workers and tele-workers, if there is an explicit agreement that such workers are remunerated on the basis of the work done: that is, the amount of labour which is contributed as an input into some process of production.

2. HOURS ACTUALLY WORKED

The statistics cover the total number of hours actually worked by all employees during the year. The total number of hours worked is recorded separately for full-time (B.11), part-time employees (B.12) and, when reported separately, apprentices (B.13).

Hours actually worked are defined as the sum of all periods spent on direct and ancillary activities to produce goods and services….

… Hours actually worked exclude the following, however:

— hours paid but not worked, for example: paid holidays/vacation, public holidays, absence due to sickness, maternity leave, force majeure events such as extreme weather conditions or natural disasters etc.,

— …

— hours not worked (whether paid or not) during short-time working, labour disputes, lock-outs, etc.,

3. HOURS PAID

This variable covers the total number of hours paid during the year.

The annual number of paid hours is defined as:

— normal and overtime hours remunerated during the year,

— any hours for which the employee was paid at a reduced rate, even if the difference was made up by payments from social-security funds,

The annual number of paid hours is defined as:

— normal and overtime hours remunerated during the year,

— any hours for which the employee was paid at a reduced rate, even if the difference was made up by payments from social-security funds,

— hours not worked during the reference period but nevertheless paid (annual holidays/vacation, absence due to sickness, public holidays and other hours paid, including time off for medical examinations, births, weddings, funerals, moving house, etc).

4. D.1 COMPENSATION OF EMPLOYEES

Compensation of employees is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the reference period. It is made up of the following components:

— wages and salaries (D.11);

— employers' social contributions (D.12), mainly consisting of employers' actual social contributions (D.121) and employers' imputed social contributions (D.122).

D.11111 *Direct remuneration, bonuses and allowances paid in each pay period*

This means remuneration in the form of regular cash payments paid regularly at each pay period during the year. For most employees, the pay period is weekly or monthly. Hence, payments received less frequently (monthly in the case of weekly regular payments, quarterly, bi-annually, annually) or on an *ad hoc* basis should not be included here.

(It includes**) reduced working time allowance Extra payment (non-guaranteed) to compensate employees in full or in part for a reduction in the normal working time. (Guaranteed payments belong to D.1224).**

D.1113 *Payments for days not worked*

Remuneration paid for statutory, contractual or voluntarily granted leave and public holidays or other paid days not worked.

5. D.121 EMPLOYERS' ACTUAL SOCIAL CONTRIBUTIONS

These consist of the payments made by employers for the benefit of their employees to insurers (social security and other employment-related social insurance schemes). These payments cover statutory, conventional, contractual and voluntary contributions in respect of insurance against social risks or needs. Employers' actual social contributions are recorded in the period during which the work is done.

6. D.1211 STATUTORY SOCIAL SECURITY CONTRIBUTIONS

Contributions paid to social security institutions payable by the employer and made compulsory by law. The amounts of such contributions must be entered net of any subsidies.

7. D.1224 OTHER IMPUTED SOCIAL CONTRIBUTIONS

This item refers to all other imputed social contributions of the employer not mentioned elsewhere, such as study grants for employees and their families or guaranteed remuneration in the event of short-time working. The latter is defined as direct payments of the employer to employees to maintain remuneration in the event of short-time working minus any reimbursements paid to the employer by social-security institutions.

(It includes**) working time allowance** (i.e.) **the guaranteed payment to compensate employees in full or in part for a reduction in the normal working time. (Additional payments, paid in each pay period, belong to D.11111)**

8. D.5 SUBSIDIES RECEIVED BY THE EMPLOYER

These are all amounts received in the form of subsidies of a general nature intended to refund part or all of the cost of direct remuneration but not intended to cover social security or vocational training costs. They do not include refunds paid to the employer by social-security institutions or supplementary insurance funds.