

Labour Cost Index Meta Information

<u>Member State:</u>	Luxembourg
<u>Reference period:</u>	2010Q1

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[Person(s) that may be contacted regarding metadata, data, as well as transmission issues]

Background

It says in Article 6.2 of Regulation (EC) 450/2003 on the Labour Cost Index that

"[...] Metadata, defined as the explanations needed to interpret the changes in the data either arising from methodological or technical changes, or due to changes in the labour market, shall be delivered with the data."

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1) Changes in the Labour Market that has an impact on the latest LCI

If relevant, please explain about changes in the labour market that may be reflected in the LCI data for the latest quarter.

none

2) Changes in Total Labour Costs and Hours worked

Provide the year-on-year rate of change of the working day adjusted* for the latest quarter for the following series:

	NACE sections B to N	NACE sections B to S
Total labour cost	1.0*	2.2*
Number of hours worked	-1.1*	-0.3*

* If it is not possible to provide the working day adjusted change, provide the not-seasonally adjusted change and marked it with an asterisk *

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3) Changes to LCI methodology

Has changes been introduced to

- | | | |
|--------------------------------|------------------------------|-----------------------------|
| - Sources | yes X | no <input type="checkbox"/> |
| - Estimation methods | yes <input type="checkbox"/> | no X |
| - Other changes to methodology | yes <input type="checkbox"/> | no X |

If any change to sources or methodology then:

- | | |
|---|--------|
| - First reference period with new source or methodology? | 2009q1 |
| - please provide separate documentation describing | |
| a) the changes, | |
| b) the series affected (NACE sections, wage or non-wages, etc.), | |
| c) the expected effect in terms of quality, precision, changes to development or seasonal pattern, | |
| d) whether it has caused a break in the series and whether past data have been adjusted or corrected, | |
| e) any other relevant information | |

4) Revisions

If relevant, please explain the cause of significant revisions to past data.

Labour Cost Index – Luxembourg 2010q1

This document describes a change that has occurred in the sources used to estimate the Labour Cost Index

a) the changes

The hourly labour costs are computed using social security records. On the 1st of January 2009, there has been a major reform in Luxembourg's social security system. Before that date, the social security system made a distinction between two types of salaried workers: the blue-collar workers ("ouvriers") and the white-collar workers ("employés"). There were differences between these two, i.a. with respect to sick-pay, overtime pay and severance payments. In 2009, the distinction between the blue and white collar workers has been abolished. This change has had some implications on the way the social security authorities collect and record data. The new rules imply that the hours recorded in 2009 are systematically lower than in 2008

b) the series affected (NACE sections, wage or non-wages, etc.)

The change affects the hours worked. Thus, all the series of the LCI are concerned.

c) the expected effect in terms of quality, precision, changes to development or seasonal pattern

As the hours in 2009 are systematically lower than in previous years, the hourly wages and labour costs in 2009 are over-estimated.

d) whether it has caused a break in the series and whether past data have been adjusted or corrected

For the previous transmissions the hours worked for 2009 have been corrected so as to make the series of 2008 and 2009 more coherent. As of the 2010q1 transmission (in June 2010), this correction has been omitted. The result is a break in the series, starting in 2009q1.

e) any other relevant information