EARNINGS

RESOLUTION CONCERNING AN INTEGRATED SYSTEM OF WAGES STATISTICS, ADOPTED BY THE
TWELFTH INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS (OCTOBER 1973)

8. The concept of earnings, as applied in wages statistics, relates to remuneration in cash and in kind paid to
employees, as a rule at regular intervals, for time worked or work done together with remuneration for time not
worked, such as for annual vacation, other paid leave or holidays. Earnings exclude employers’ contributions in
respect of their employees paid to social security and pension schemes and also the benefits received by employees
under these schemes. Earnings also exclude severance and termination pay.

9. Statistics of earnings should relate to employees gross remuneration, i.e. the total before any deductions
are made by the employer in respect of taxes, contributions of employees to social security and pension schemes,
life insurance premiums, union dues and other obligations of employees.

10. (i) Earnings should include: direct wages and salaries, remuneration for time not worked (excluding
severance and termination pay), bonuses and gratuities and housing and family allowances paid by the employer
directly to his employee.

(a) Direct wages and salaries for time worked, or work done, cover: (i) straight-time pay of time rated workers;
(ii) incentive pay of time-rated workers; (iii) earnings of pieceworkers (excluding overtime premiums); (iv) premium
pay for overtime, shift, night and holiday work; (v) commissions paid to sales and other personnel. Included are:
premiums for seniority and special skills, geographical zone differentials, responsibility premiums, dirt, danger and
discomfort allowances, payments under guaranteed wage systems, cost-of-living allowances and other regular
allowances.

(b) Remuneration for time not worked comprises direct payments to employees in respect of public holidays,
annual vacations and other time off with pay granted by the employer.

(c) Bonuses and gratuities cover seasonal and end-of-year bonuses, additional payments in respect of vacation
period (supplementary to normal pay) and profit-sharing bonuses.

(ii) Statistics of earnings should distinguish cash earnings from payments in kind.
**WAGE RATES**

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**RESOLUTION CONCERNING AN INTEGRATED SYSTEM OF WAGES STATISTICS, ADOPTED BY THE TWELFTH INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS (OCTOBER 1973)**


11. The data on time rates of wages should relate to an appropriate time period such as the hour, day, week, month or other customary period used for purposes of determining the wage rates concerned.

12. Wage rates should include basic wages, cost-of-living allowances and other guaranteed and regularly paid allowances, but exclude overtime payments, bonuses and gratuities, family allowances and other social security payments made by employers. Ex gratia payments in kind, supplementary to normal wage rates, are also excluded.

13. Statistics of wage rates fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards (which are generally minimum or standard rates) should be clearly distinguished from statistics referring to wage rates actually paid to individual workers. Each of these types of wage rates is useful for particular purposes.

14. Time rates of wages for normal periods of work should be distinguished from special and other rates such as piece rates, overtime rates, premium rates for work on holidays and shift rates.

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**COMPENSATION OF EMPLOYEES**

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**SYSTEM OF NATIONAL ACCOUNTS 2008**


7.42. Compensation of employees has two main components:

a. Wages and salaries payable in cash or in kind;

b. Social insurance contributions payable by employers, which include contributions to social security schemes; actual social contributions to other employment-related social insurance schemes and imputed social contributions to other employment-related social insurance schemes.

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**LABOUR COST**

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**RESOLUTION CONCERNING STATISTICS OF LABOUR COST, ADOPTED BY THE ELEVENTH INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS (OCTOBER 1966)**

3. For purposes of labour cost statistics, labour cost is the cost incurred by the employer in the employment of labour. The statistics concept of labour cost comprises remuneration for work performed, payments in respect of time paid for but not worked, bonuses and gratuities, the cost of food, drink and other payments in kind, cost of workers’ housing borne by employers, employers’ social security expenditures, cost to the employer for vocational training, welfare services and miscellaneous items, such as transport of workers, work clothes and recruitment, together with taxes regarded as labour cost.

INTERNATIONAL STANDARD CLASSIFICATION OF LABOUR COST

I. Direct wages and salaries:
   (1) straight-time pay of time-rated workers\(^1\);
   (2) incentive pay of time-rated workers;
   (3) earnings of piece-workers (excluding overtime premiums);
   (4) premium pay for overtime, late shift and holiday work.

II. Remuneration for time not worked:
   (1) annual vacation, other paid leave, including long-service leave;
   (2) public holidays and other recognized holidays;
   (3) other time off granted with pay (e.g. birth or death of family member, marriage of employees, functions of titular office, union activities);
   (4) severance and termination pay where not regarded as social security expenditure\(^2\).

III. Bonuses and gratuities:
   (1) year-end and seasonal bonuses;
   (2) profit-sharing bonuses;
   (3) additional payments in respect of vacation, supplementary to normal vacation pay and other bonuses and gratuities.

IV. Food, drink, fuel and other payments in kind

V. Cost of workers’ housing borne by employers:
   (1) cost for establishment-owned dwellings\(^3\);
   (2) cost for dwelling not establishment-owned (allowances, grants, etc.);
   (3) other housing costs.

VI. Employers’ social security expenditure:
   (1) statutory social security contributions (for schemes covering: old age, invalidity and survivors; sickness, maternity; employment injury; unemployment; and family allowances);
   (2) collectively agreed, contractual and non-obligatory contributions to private social security schemes and insurances (for schemes covering: old age, invalidity and survivors; sickness, maternity; employment injury; unemployment; and family allowances);
   (3) (a) direct payments to employees in respect of absence from work due to sickness, maternity or employment injury, to compensate for loss of earnings;
       (b) other direct payments to employees regarded as social security benefits;

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\(^1\) Including also responsibility premiums, dirt, danger and discomfort allowances, cash indemnities for meals, sandwiches, etc., payments under guaranteed wage systems, cost-of-living allowances and other regular allowances which are regarded as direct wages or salaries.

\(^2\) Otherwise these should be classified under VI(5).

\(^3\) Other than wages and salaries for personnel in the provision of the service, e.g. the depreciation on buildings and equipment, interest, repairs and maintenance and other cost, less grants-in-aid, tax rebates, etc. received from public authorities and receipts from workers. Capital investment made during the year is to be excluded.
(4) cost of medical care and health services;
(5) severance and termination pay where regarded as social security expenditure.

VII. **Cost of vocational training**

( Including also fees and other payments for services of outside instructors, training institutions, teaching material, reimbursements of school fees to workers, etc.)

VIII. **Cost of welfare services:**
(1) cost of canteens and other food services;
(2) cost of education, cultural, recreational and related facilities and services;
(3) grants to credit unions and cost of related services for employees.

IX. **Labour cost not elsewhere classified** (Such as costs of transport of workers to and from work undertaken by employers (including also reimbursement of fares, etc.), cost of work clothes, cost of recruitment and other labour costs.)

X. **Taxes regarded as labour cost** (For instance, taxes on employment or payrolls. Such taxes should be included on a net basis, i.e. after deduction of allowances or rebates made by the State.)

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**CONTRACTUAL/NORMAL HOURS OF WORK**

**RESOLUTION CONCERNING THE MEASUREMENT OF WORKING TIME, ADOPTED BY THE 18TH INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS (NOVEMBER-DECEMBER 2008)**


13. (1) Normal hours of work are the hours fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards to be performed in specified paid-employment jobs over a specified reference period, such as per day, week, month or year (within the SNA production boundary). Normal hours of work may also apply to a job in self-employment when the hours are in accordance with the hours fixed for all jobs in a specific industry or occupation (such as for drivers to ensure public safety).

14. (1) Contractual hours of work, is the time expected to be performed according to a contract for a paid-employment job or for the provision of services in a self-employment or volunteer job (within and beyond the SNA production boundary). The contract may include leave entitlements and be either explicit (written contract) or implicit (verbal agreement).

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**HOURS PAID FOR**

**RESOLUTION CONCERNING THE MEASUREMENT OF WORKING TIME, ADOPTED BY THE 18TH INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS (NOVEMBER-DECEMBER 2008)**


12. (2) For a paid-employment job, hours paid for is:
(a) The time for which persons have received payment from their employer (at normal or premium rates, in cash or in kind) during a specified short or long reference period, regardless of whether the hours were actually worked or not;

(b) This includes time paid but not worked such as paid annual leave, paid public holidays and certain absences such as paid sick leave.

(c) This excludes time worked but not paid by the employer, such as unpaid overtime, and absences that are not paid by the employer, such as unpaid educational leave or maternity leave that may be paid through transfers by government from social security systems.

HOURS ACTUALLY WORKED

RESOLUTION CONCERNING THE MEASUREMENT OF WORKING TIME, ADOPTED BY THE 18TH INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS (NOVEMBER-DECEMBER 2008)


11. (1) Hours actually worked is the time spent in a job for the performance of activities that contribute to the production of goods and/or services during a specified short or long reference period. Hours actually worked applies to all types of jobs (within and beyond the SNA production boundary) and is not linked to administrative or legal concepts.

(2) Hours actually worked measured within the SNA production boundary includes time spent directly on, and in relation to, productive activities; down time; and resting time.

(a) “Direct hours” is the time spent carrying out the tasks and duties of a job. This may be performed in any location (economic territory, establishment, on the street, at home) and during overtime periods or other periods not dedicated to work (such as lunch breaks or while commuting).

(b) “Related hours” is the time spent maintaining, facilitating or enhancing productive activities and should comprise activities such as:

(i) cleaning, repairing, preparing, designing, administering or maintaining tools, instruments, processes, procedures or the work location itself; changing time (to put on work clothes); decontamination or washing up time;

(ii) purchasing or transporting goods or basic materials to/from the market or source;

(iii) waiting for business, customers or patients, as part of working-time arrangements and/or that are explicitly paid for;

(iv) on-call duty, whether specified as paid or unpaid, that may occur at the work location (such as health and other essential services) or away from it (for
example from home). In the latter case, it is included in hours actually worked depending on the degree to which persons’ activities and movements are restricted. From the moment when called back for duty, the time spent is considered as direct hours of work;

(v) travelling between work locations, to reach field projects, fishing areas, assignments, conferences or to meet clients or customers (such as door-to-door vending and itinerant activities);

(vi) training and skills enhancement required by the job or for another job in the same economic unit, at or away from the work location. In a paid-employment job this may be given by the employer or provided by other units.

(c) “Down time”, as distinct from “direct” and “related hours”, is time when a person in a job cannot work due to machinery or process breakdown, accident, lack of supplies or power or Internet access, etc., but continues to be available for work. This time is unavoidable or inherent to the job and involves temporary interruptions of a technical, material or economic nature.

(d) “Resting time” is time spent in short periods of rest, relief or refreshment, including tea, coffee or prayer breaks, generally practised by custom or contract according to established norms and/or national circumstances.

(3) Hours actually worked measured within the SNA production boundary excludes time not worked during activities such as:

(a) Annual leave, public holidays, sick leave, parental leave or maternity/paternity leave, other leave for personal or family reasons or civic duty. This time not worked is part of absence from work hours (defined in paragraph 17);

(b) Commuting time between work and home when no productive activity for the job is performed; for paid employment, even when paid by the employer;

(c) Time spent in educational activities distinct from the activities covered in paragraph 11. (2) (b) (vi); for paid employment, even when authorized, paid or provided by the employer;

(d) Longer breaks distinguished from short resting time when no productive activity is performed (such as meal breaks or natural repose during long trips); for paid employment, even when paid by the employer.


4. The ICSE-93 consists of the following groups, which are defined in section III:

1. employees;
   among whom countries may need and be able to distinguish "employees with stable contracts"
   (including "regular employees");

2. employers;

3. own-account workers;

4. members of producers' cooperatives;

5. contributing family workers;

6. workers not classifiable by status.