

# SURVEY ON EMPLOYEES AND THEIR SALARIES AND WAGES

## LEGAL BASIS

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The Monthly survey on employees and their salaries and wages (RAD-1) is regulated by the Law on Official Statistics ("Official Journal of the RS", number 104/09).

## METHODOLOGICAL BASIS

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### Objective and scope of the survey

The aim of the Monthly survey on employees and their salaries and wages is to provide actual and reliable data on the level, structure and trends of average wages and salaries by activities and territorial units of the Republic of Serbia. This survey also collects data on the number of employees that serve as a basis for estimating the monthly number of employees in legal entities in the Republic of Serbia.

### Reporting and statistical units

The units of observation and reporting units for the Monthly survey on employees and their salaries and wages are legal entities (enterprises, institutions, cooperatives and other organisations), as well as their local units, by the organisational and territorial principle, on municipal level.

If an enterprise or another organisation has organisational units (local units) dealing with an activity other than the activity of the parent organisation (irrespective of the municipality they are located in) or are located outside of the municipality of the organisation residence (irrespective of the activity they are engaged in), those units are also reference units because they submit a separate report according to their activity, that is according to the municipality in which they are located. Exceptionally, in line with the Regulation EC 1503/2006, workers engaged by temporary employment agencies are considered to be workers of a employment agency and are counted in this activity (codes 78.20 and 78.30 of CA 2010), but not in the activity of the unit in which they are actually working.

The unit of observation for employees working for entrepreneurs is every entrepreneur that have submitted completed tax declaration on calculated and paid payroll taxes to the Tax Administration for the reference month.

### Coverage of the survey

The Monthly survey on employees and their salaries and wages is carried out on a purposive sample of legal entities. The frame for the selection/updating of the sample in this survey are all enterprises, institutions, cooperatives and other organisations, as well as their territorially separated units registered in the Statistical Business Register.

The sample provides the representativeness of data on total average wages and salaries on municipal level, and for regions (territorial level NSTJ2) on the level of activity division. The criterion for the selection in the sample is the number of employees, on the basis of which reporting units are selected in the sample, from large to small ones. The sample covers approximately 8000 reporting units, being about 65% of the total number of employees in enterprises, institutions, cooperatives and other organisations. The sample is updated every March. In case that in the meantime a reporting unit has ceased its activity, a new unit is selected from the population, according to the characteristics of the replacement unit.

The survey does not include the employees of the Ministry of Defence and Ministry of the Interior of the Republic of Serbia, nor individual farmers.

The data on salaries and wages paid to employees working for entrepreneurs are taken from the records of the Tax Administration and joined to those from the monthly survey. Approximately 65% of entrepreneurs are covered. Entrepreneurs (persons performing independently an activity/occupation) without the status of employees are excluded from the calculation of average wages and salaries.

Since 1999, the Statistical Office of the Republic of Serbia has no available data for AP Kosovo and Metohia; therefore they are not included in the data for the Republic of Serbia (total).

## **Method, period and sources for data collection**

The survey applies the reporting method for data collection by means of the questionnaire RAD-1, which is to be completed for every unit selected in the sample.

To complete the questionnaire RAD-1 accounting records on salaries and wages payment and human resources records are used. The reporting units are required to fill in the questionnaires with data for the previous month, up to the seventh in the current month, to submit them to the relevant regional office of the Statistical Office of the Republic of Serbia, that is to the Institute for Statistics and Informatics of Belgrade where performed are data entry, coverage control and data editing. Reports are to be submitted to the Statistical Office of the Republic of Serbia up to the fifteenth in the month.

## **Obligation to protect personal data**

The data obtained from enterprises, institutions, cooperatives or other organisations, as well as those taken from the Tax Administration are subject to professional confidentiality and cannot be published individually nor made available to users. Users may have access only to data aggregated on certain classification levels.

## **Definition of the main concepts**

The questionnaire RAD-1 is used to collect data on the number of employees at the end of the reference month according to human resources records, the number of employees who were remunerated in the reference month, total wages and salaries, taxes and contributions paid out in the reference month. Given that the current international regulations on short-term statistics stipulate provision of data on wages and salaries per hour of work, since April 2011 the questionnaire of the survey has been extended in order to collect also the data on hours worked. At the same time, the change that the questionnaire has undergone allows to provide not only average wages and salaries paid in the month, but also data necessary for the calculation of average wages and salaries paid for the month. To have the definition of the concept wages and salaries harmonised with European regulations, since January 2013 data on transport costs, being part of wages and salaries according to EU regulations, have also been collected through the questionnaire RAD-1.

**Employees** in this survey are considered persons who have an employment contract with an employer (enterprise, institution, cooperative or other organization) for a fixed or indefinite time, whether working full time or part time. This is so-called "registered employment", where the employees have a formal employment contract. Persons working on the basis of a temporary work agreement or contract on performing temporary works are excluded.

**Salaries and wages**, as laid down in Article 105 of the Law on Labour, are salaries and wages including taxes and contributions payable from the salaries and wages realised by the employees for work done during the working time, then enhanced salaries and wages, remunerations and other income (except: transport costs, for time spent on business trips in the country or abroad, retirement severance packages, solidarity aid, jubilees, funeral costs and compensations for occupational injuries or disease).

## **Method of calculation of average wages and salaries**

Since January 1997, according to the recommendations of the Federal Statistical Office from 21 February 1997, average wages and salaries are calculated by dividing the payroll paid in the reference period by the number of employees from the human resources records at the end of the reference month. The data on average wages and salaries refer to all the employees from the human resources records, whether being remunerated or not in the month.

Since January 2009, in addition to data on average salaries and wages of employees in legal entities (collected by Monthly statistical survey on employees and their salaries and wages RAD-1), data on employees' wages and salaries working for entrepreneurs (obtained from the Ministry of Finance – Tax Administration) are also included in the calculation of average salaries and wages. Tax Administration data are taken over up to the 12<sup>th</sup> in the month for the previous month.

## **Method of monthly estimation of the number of employees**

Given that the monthly survey RAD-1 is sample based, it allows to obtaining data on the total number of employees. Monthly estimation of the total number of employees is obtained as follows:

For March and September each year (when the survey RAD-1 is carried out on enlarged sample) calculated is the coefficient of the ratio of the number of employees in the enlarged coverage to the number of employees in the sample which adjust the data on the number of employees from the sample for the current month.

## **Level of representativeness**

Data on total average salaries and wages from this survey are representative on municipal level, while for regions (territorial level NSTJ 2) they are representative on the level of activities divisions (two-digit CA 2010 level). The estimated monthly data on the number of employees are representative on the level of activities sections for the Republic of Serbia.

## **Harmonisation with international recommendations, standards and practice**

With the changes brought about in the questionnaire of the Monthly survey on employees and their salaries and wages in April 2011 and January 2013 data on wages and salaries and hours worked for employees in legal entities comply completely with EU regulations on short-term statistics.

## **DESCRIPTION OF THE SURVEY MANAGEMENT**

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### **Bodies in charge of the survey management**

The Statistical Office of the Republic of Serbia and the Institute of Statistics and Informatics of Belgrade is in charge of the preparation, organisation and carrying out of this survey, in line with the Programme of statistical surveys.

The employees of the Division of Employment and Earnings Statistics in the head office, as well as those employed in the 14 regional offices of the Statistical Office of the Republic of Serbia are engaged in the survey management.

### **Obligation to provide data**

The obligation to provide data is laid down in Article 26 of the Law on Official Statistics ("Official Journal of RS No 104/2009). Penalty provisions in case of refusal, incorrect or incomplete data provided are laid down in Article 52 of the same Law.

### **Timetable of the main stages of the survey**

- Up to the 7<sup>th</sup> in the month, reporting units are required to submit completed questionnaires RAD-1 for the previous month to regional offices and the Institute of Statistics and Informatics of Belgrade.
- Materials entry and control are to be performed in regional offices and the Institute of Statistics and Informatics of Belgrade from the 8<sup>th</sup> to 15<sup>th</sup> in the month, and subsequently sent to the head office of the SORS. The data of the Tax Administration are to be submitted up to the 12<sup>th</sup> in the month for the previous month.
- Data on average wages and salaries are published every 25<sup>th</sup> in the month for the previous month (exceptionally, if the 25<sup>th</sup> is a Saturday, data are published in Friday the 24<sup>th</sup>, and if the 25<sup>th</sup> is a Sunday, data are published on Monday the 26<sup>th</sup>).
- Monthly estimation of the number of employees is available the last day in the current month for the previous month.

## **SURVEY TOOLS**

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### **Questionnaire RAD-1**

### **Instructions for completing the questionnaire**

### **List of nomenclatures and classifications used in this survey**

The following classifications are used in the survey:

Classification of Activities (CA 2010), which is regulated by the Government by the Regulation of 29 July 2009 ("Official Journal of the RS", number 54/10) according to the Law on the Classification of Activities

("Official Journal of the RS", number 104/09). This classification is comparable with the classification of activities of the European Union (NACE, rev. 2).

The list of municipalities which is drawn up according to the Regulation on the Nomenclature of Territorial Units ("Official Journal of the RS", numbers 109/09 and 46/10).

The mentioned classifications are available on the official Website of the Statistical Office of the Republic of Serbia.

### **List of publications**

1. Statistical release ZP11 – Salaries and wages per employee in the Republic of Serbia, by activities
2. Statistical release ZP14 – Salaries and wages per employee in the Republic of Serbia, by municipalities and towns
3. Monthly review
4. Statistical Yearbook
5. Statistical Pocket-book
6. Municipalities and Regions in the Republic of Serbia

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