

Quality declaration Structure of earnings

0.General Information on Statistical Products		
0.1	Title	Structure of earnings
0.2	Subject Area	Labor cost
0.3	Responsible Authority, Office, Person, etc.	Ms. Lusine Kalantaryan Head Labor Statistics Division Armstat 3 Government House, Republic Avenue, Yerevan, 0010, Republic of Armenia Phone: +374 11 58 78 29 E-mail : kalantaryan@armstat.am, info@armstat.am
0.4	Purpose and History	Provides comprehensive information on level, structure and change of earnings of paid employees in different spheres of economy (gross labor compensation according to the National Accounts System (NAS). The statistical observation of the structure of earnings had been maintained since 1997. The indicator has been revised throughout the years taking into consideration legislative changes and has been improved to be harmonized with classifications suggested by the International Labor Organization (ILO).
0.5	Users and Application	The main users are state government and local self- government bodies, public, scientific, educational, financial organizations, business society, mass media, international organizations, etc. The indicator is used for development of strategies not only in labor market, but also in social –economic field, for the solution of challenging issues, analysis of education system, business environment and revealing social development trends, etc.
0.6	Information Sources	The main source of information is data collected from legal persons, governmental and community authorities through statistical reports “On the number and wages/salaries of employees” on annual basis.
0.7	Legal Authority to Collect Data	The data are collected based on the Law on "Official Statistics" and “Five Year Statistical Program”, as well as the Resolution No. 05-N of RA State Council on Statistics “On Approval of the Procedure for the collection of statistical data” dated 20 June 2016 and

		Resolution “On Approval of Annual Statistical Program”.
0.8	Response Burden	Response burden is not measured.
Content		
1.1	Description of the Content	Earning (gross labor compensation of employees) is a monetary indicator, which characterizes the average monthly earning related to work activity of the employee during the reference period.
1.2	Statistical Concepts	<p>Concepts</p> <p>The methodology of calculation of the indicator (definitions, classifications) is based on definitions of ILO and SNA taking into account some peculiarities of RA legislation.</p> <p>Earning – gross labor compensation of paid employees, is formed: from monetary or in-kind income received from remuneration of work, excluding the social insurance benefits (temporary incapability, pregnancy and maternity, and child care for up to 3 years old baby) from employers contributions to the social insurance funds (pension, social, medical, etc.) The structure of the earnings include:</p> <ol style="list-style-type: none"> 1. Remuneration for the worked hours, 2. Remuneration for non-worked hours, 3. One-time bonuses and other payments, 4. Payments for food, housing, fuel and other payments, 5. Social payments made for employee by the employer, not considered as salary, 6. Mandatory social insurance payments made by the employer. <p>1-4group includes remuneration of work and other payments equal to it, which is formed: from base salary (remuneration of work according to tariffs, official rates, transaction based payments) and from other additional regular payments defined by the legislation (compensations related with work regime or work conditions, premiums and bonuses, additional payments, etc.) from remuneration for non-worked hours (payments given for annual and additional leave, other similar payments) for one-time bonuses and incentive payments regular in kind remuneration (for food, fuel, housing fee provided free of charge and other similar payments)</p> <p>5-6group includes all mandatory payments made by the employer</p>

		<p>to state social insurance funds for the social protection of employees, as well as voluntary pension and health insurance payments.</p> <p>Coverage</p> <p>Statistical monitoring includes the organizations from state and private sectors, which are considered as large and medium for statistical purposes.</p> <p>According to industry classification 19 from 21 sections of Armenian Classification of Types of Economic Activity (NACE Rev. 2) are included. NACE Rev. 2 is developed based on NACE Rev.2, Classification of Types of Economic Activity, approved by Eurostat.</p> <p>Section T is not included (Activities of households as employers, undifferentiated goods and services producing activities of households fro own use) which is related with the small number of those enterprises dealing with that activity.</p> <p>Section U (Activities of extra-territorial organizations) is also not included, since those organizations are not residents.</p> <p>According to employment status, only hired employees are included in the calculation of the indicator.</p> <p>According to geographical coverage, it covers all marzes of the Republic of Armenia and Yerevan city.</p> <p>Variables</p> <p>Earning for one unit, one employee is calculated by dividing the gross remuneration of labor to the average annual payroll number of employees (used for wage calculation).</p> <p>The indicator is calculated both for the Republic of Armenia, and is grouped into 19 sections of Types of Economic Activity (NACE (rev. 2)).</p>
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2.Time		
2.1	Reference Period	Data refers to calendar year preceding the statistical observation.
2.2	Date of Publication	The data is published on the fourth quarter of the year following the reference period (year).
2.3	Punctuality	The data is published according to publication schedule of annual programs and there are no delays from the defined time schedule.
2.4	Frequency	Annual
3.Accuracy		
3.1	Overall Accuracy	The information is collected from big and medium legal persons, state and community bodies (about 5600 organizations) exhaustively.
3.2	Sources of Inaccuracy	<p>During the observations errors or discrepancies may occur due to non-response, in corrections in business register (the main activity type was not decided properly or changes during the year are not properly registered), etc. The data undergo several stages of validation which start from the local statistical division and finish at the Armstat central office.</p> <p>The software used mainly allows to logically and mathematically verifying the data.</p> <p>If necessary they contact the respondents. In case of non-response the data for the previous period or previous 12 months are taken.</p>
3.3	Measures on accuracy	The response rate is 98 %.
4.Comparability		
4.1	Comparability over Time	<p>The indicators included in the statistical reports had undergone some partial changes throughout the years. All the major groups of standard classifications of costs suggested by ILO have been kept, and sub-costs had undergone some changes based on necessity or based on the actuality of indicator or based on the requirements of external and internal users. It didn't result in data incompatibility in time series, because the indicator is published by major groups of classification.</p> <p>The industry classification has been also changed. Before 2006, the indicator has been represented in accordance with the structure of</p>

		<p>All Union Classification of Branches of National Economy (AUCOBONE). Since 2006-2009, the indicator has been submitted in accordance with the NACE Rev.1 and since 2010 NACE rev. 2 is applied.</p> <p>For data comparability in time series the indicators of transitional years have been calculated parallel with old and new classifications.</p>
4.2	Comparability with other Statistics	<p>No other information sources on earnings are available. But the information on employees remuneration and other payments equal to it, which are considered as components of labor cost(see groups of 1-4 in section 1.2), are compared with operative data of 12 months collected through statistical reporting form on “Number and Salary of Employees” on monthly basis.</p> <p>Employees remuneration and other payments equal to it indicator is compared every year with relevant data of the State Revenue committee of RA taking into consideration some methodological differences.</p>
4.3	Coherence between Provisional and Final Statistics	<p>The final data is published. In separate cases the indicator may be revised based on the adjustments and (or) other corrections of initial data submitted by the organizations.</p> <p>In case of changes of the published data the verification is presented along with explanatory notes.</p> <p>The indicator is presented in annual publications.</p>
5. Accessibility		
5.1	Forms of Dissemination	<p>Publications</p> <p>Annual publications</p> <p>“Labor Market in the Republic of Armenia” Statistical Handbook (Armenian and English),</p> <p>Databases:</p> <p>http://armstatbank.am/pxweb/hy/ArmStatBank/?rxid=602c2fcf-531f-4ed9-b9ad-42a1c546a1b6</p> <p>Website:</p> <p>Electronic publications are available in Armenian (full version) and English, at:</p> <p>http://www.armstat.am/am/?nid=82</p>
5.2	Basic Material: Storage and Usability	<p>The preliminary data necessary for the calculation of the indicator are maintained and archived according to the relevant procedures, both in paper form, as well as electronically in a form of database.</p>
5.3	Documentation	<p>Additional documentation is available in the Metadata subsection</p>

		of the Statistics section of the Armstat official website, in line with IMF Special Data Dissemination Standards, in Armenian, Russian and English languages, at https://www.armstat.am/en/?nid=549 .
5.4	Other Information	The publication of indicators is accompanied with the methodology description, which is presented in a more detailed way in “Labor Market in Armenia” Statistical Handbook and in other thematic publications.
6. Supplementary Documentation		
6.1		Information is available under the General Statistical Business-Process Model at https://www.armstat.am/en/?nid=672 .