

## Methodological notes

1. Monthly data on earnings and number of employees are obtained from a sample statistical survey. For sizing the sample getting estimates of the main surveyed characteristics was considered, affected by errors in the limit of  $\pm 3\%$  and guaranteed with a probability of 95%. Since January 2019, the sample includes about 23500 economic and social units. Budgetary units are exhaustively surveyed, except for the units of local public administration for which data at level of local communal councils are collected based on a sample representative at county level (about 820 units). For economic sector, the survey covers the units with four employees and over, representing 89.65% of total employees in this sector.

**The objective** of monthly statistical survey on earnings is to evaluate short term trends of monthly and hourly average earnings per total economy and by activity sector.

2. Data obtained from monthly statistical survey on earnings and number of employees are **aggregated by homogenous activity of the units**, meaning that public administration **does not include** all the secondary activities developed by central and local public administration, such as:

- social assistance,
- cultural, sport and recreation activities,
- landscape and services for buildings,
- agriculture,
- water distribution, sanitation, waste management, decontamination activities,
- construction,
- transport and storage,
- production and supply of electric and thermal energy, gas, hot water and air conditioning,
- renting and sub-renting real estate goods etc.

Information for secondary activities are included in the corresponding economic activities according to CANE Rev.2 .

3. Information regarding „**budgetary sector**” should be used carefully, because data refer to statistics from economic activities (aggregated by homogenous activity) **according to CANE Rev.2**. of public administration, education and health and social assistance (including private sector for education – about 3.5%, respectively health and social assistance - about 9.5%), excluding armed forces and similar (Ministry of National Defence, Ministry of Administration and Interior, Romanian Intelligence Service etc.).

These statistics do not take into account the financing type, their purpose being to provide information by economic activity according to CANE Rev.2.

Information corresponding to the financing type are administered by the Ministry of Public Finance, according to the stipulations of Urgency Government Ordinance no. 48/2005, with later completions and modifications.

## 4. Concepts and definitions

**Gross nominal earnings** comprise salaries, respectively rights in cash and in kind for employees for the work done (including for overtime) according to salary type, increases and indemnities as per cent of salary or in fixed amounts, other additions to salary according to the law, amounts paid for time not worked (indemnities for rest and study leaves, holidays and days off, amounts paid from salary fund for medical leaves), premiums, holiday bonuses and other amounts paid from salary fund according to normative documents and collective labour contracts, amounts paid from net profit and other funds (including the value tickets equivalent).

**Net nominal earnings** are obtained subtracting from gross nominal earnings the tax, contribution of employees for health social insurance, individual contribution of state social insurance and employee contribution to unemployment insurance budget.

Starting with 2018, the **net nominal earnings** are obtained subtracting from gross nominal earnings the tax, the social security contribution paid by the employees and the social health insurance paid by the employees.

**Average monthly earnings** represent the ratio between amount paid to employees by economic units in the reference month, irrespective of due period and average number of employees. Average number of employees represents an arithmetic mean calculated based on daily number of employees in the reference month. Number of employees taken into calculation includes only persons who were paid for that month. The employees in unpaid holiday, on strike, detached to work abroad and those whose labour contract/agreement was suspended are not taken into account.

The average gross/net earnings disseminated monthly do not contain severance payments, backdated paid arrears as consequence of winning the lawsuits involving the money rights related to previous years.

According to the national legislation provisions in force (GEO No. 79/2017, as subsequently amended and supplemented), the social security contribution and the social health insurance contribution paid by the employer were transferred to the employee; thus, starting with January 2018, these contributions are **borne entirely by the employee**, and reflected in the gross amount of the nominal earnings.

Consequently, the indicator "**average monthly gross earnings**" produced and disseminated starting with the reference month January 2018 is no longer comparable to data series prior to 2018.

These legal provisions do not affect the data series comparability for the "average monthly net earnings".

In accordance with the legal provisions in force, the employees working in the field of research, development and innovation, respectively in the activity of creating computer programs, are tax excepted.

For the period 1 January 2019 - 31 December 2028, in accordance with the legal provisions in force (EO No. 114/2018 setting up measures in public investments field and some fiscal-budgetary measures, modification and completion of some normative acts and extension of some deadline), the employees working in the field of construction benefit from some special provisions concerning tax, social security contribution and social health insurance contribution.

**Gross nominal earnings index** is calculated as ratio between gross nominal earnings of current month and that of reference month, expressed in per cent.

**Net nominal earnings index** is calculated as ratio between net nominal earnings of current month and that of reference month expressed in per cent.

**Real earnings index** is calculated as ratio between net nominal earnings index and general consumer price index expressed in per cent.