

# ***STATISTICS ON INCOME AND LIVING CONDITIONS (EU-SILC)***

## **Methodology**

### **PURPOSE AND OBJECTIVES OF THE SURVEY**

Regulation No. 2019/1700 of the European Parliament and the Council establishes a common framework for European statistics relating to persons and households, based on data at individual level collected from samples. The Survey on Income and Living Conditions (SILC) is part of the surveys included in the regulation and refers to the collection of comparable and timely information on the current state and dynamics of income, as well as the level and structure of poverty and social exclusion at national and European level.

The following social areas are included in the methodology of the survey:

- ***Basic demographic and other characteristics of the household and its members:*** number of members, data on each household member (age, gender, education, marital status, economic status, sources of livelihood, etc.).
- ***Monetary indicators on living standard and social stratification of the population:*** data on ***income from different sources*** (from employment, social transfers, etc.)
- ***Non-monetary indicators on living standard:*** basic data on housing (type and furnishing of the dwelling, etc.); problems associated with the dwelling or neighborhood (living area); access to education; health status and access to healthcare;
- ***Economic activity, employment and unemployment of persons aged 16 years or more*** (employment status, work security, long-term unemployment, etc.)
- ***Social services or programs and participation of the household or its members in them.***

### **REFERENCE POPULATION**

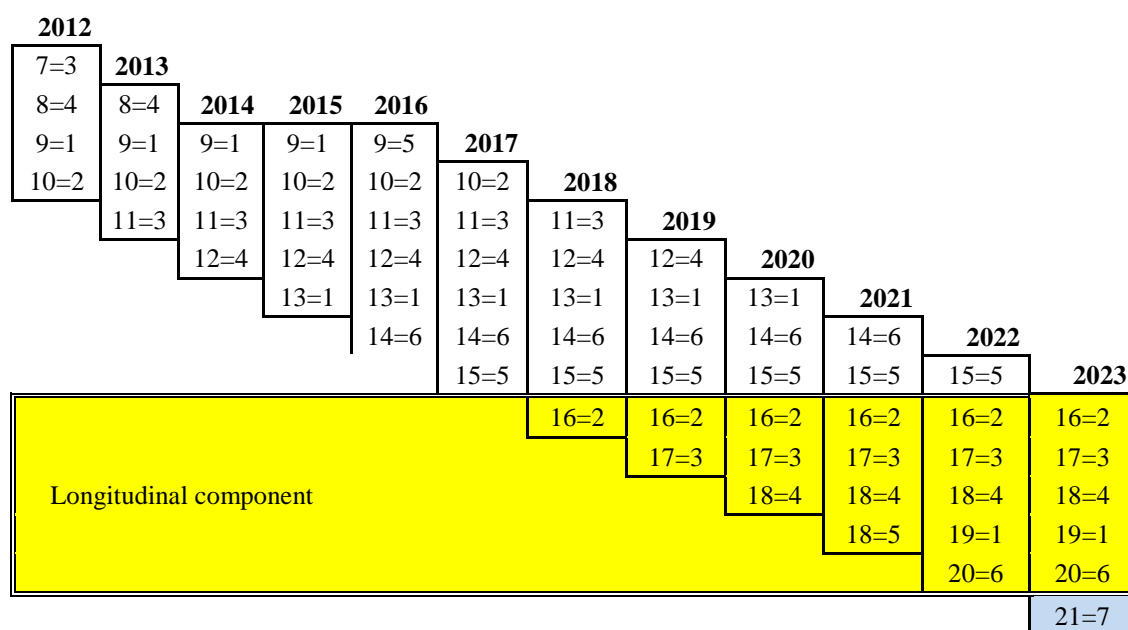
The reference population of EU-SILC is all **private** households and their members residing in the territory of the country at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population.

### **SAMPLE**

In 2021 the sample size of the panel is 9379 private households from 6 rotational groups, distributed over all regions of the country. Except from the sampled household all its members aged 16 years or more are also surveyed. Households are participating in the survey for 6 consecutive years. Every year 1 rotational group is dropped and replaced by another. This rotational design provides two kinds of data:

- Cross-sectional (data from the current year of observation)
- Longitudinal (data for households participated in the survey for at least two consecutive years).

Rotational design of the panel:



## SURVEY UNITS

Survey units are households and their members.

**Household** is defined as two or more persons who live together at the same address (in a dwelling or a part of dwelling), have common budget and have meals together.

**Household** is also one person who lives in own dwelling, room of a dwelling or a part of it and has own budget as regards to expenditures on meals and expenses to meet other needs.

**Member of the household** are:

1. Persons usually resident, related to other members;
2. Persons usually resident, not related to other persons;
3. Resident tenants;
4. Visitors;
5. Live-in domestic servants, au-pairs;
6. Persons usually resident, but temporarily absent from dwelling (for reasons of holiday travel, work, education or similar);
7. Children of household being educated away from home;
8. Persons absent for long periods, but having household ties: persons working away from home;
9. Persons temporarily absent but having household ties: persons in hospital, nursing home, boarding school or other institution.

All persons listed in points 3 to 9 should meet certain conditions in order to be members of the household at the time of the interview:

- Those from p. 3, 4, and 5 should have an intended duration of stay 6 months or more;
- Those from p. 6 – their absence should not exceed 6 months;
- Those from p. 7 and 8 irrespective of the actual or intended duration of absence should continue to retain close ties with the household – is the partner or child of a household member;

- Those from p.9 – the actual or expected duration of absence from the household should be less than 6 months and should have clear financial ties to the household.

*Exceptions to the above criteria* are allowed only for persons temporarily absent and not members of another household and retain very close ties with the household. In this case the duration of their absence does not matter.

*Common budget* occurs when one or more persons living together have common costs (though not all), have their meals together and share living expenses of children and persons with no income.

#### **Definitions of households and their members additionally used in the survey:**

##### ➤ **Sample households:**

These are the households initially selected for observation.

##### ➤ **"Split-off" households**

Newly formed households where a sample person has gone to live.

##### ➤ **Sample persons**

All persons, members of sample households initially selected for observation.

##### ➤ **Co-residents**

All persons who are not sample persons

- New members who came from another non-sample household;
- Newborns
- Persons who were not enrolled as members of the household in the previous observation, but who have lived in the household for at least 3 months during the previous year and at the time of observation are not members of the household.

**There is no category “co-resident” in the sample households of each newly selected rotational group.**

##### ➤ **„Merged household (Fusion)”**

Sample persons from different sample households from the previous wave who join together to form a new household.

## RULES FOR THE FOLLOW-UP OF SAMPLE AND SPLIT-OFF HOUSEHOLDS AND PERSONS

Sample Household	Rules for follow-up
<b>• Household enumerated in the previous wave whose current survey status is:</b>	
The whole or a part of the household lives at the old address	Followed
The whole household has moved to a new address in the country	Followed to the new location of the household
<i>The whole household has moved to a collective household</i>	<i>Dropped</i>
<i>The whole household has moved to live abroad</i>	<i>Dropped</i>
<i>The whole household has passed away</i>	<i>Dropped</i>
<i>There is no information on what happened to the household</i>	<i>Dropped</i>
<i>Unable to access the household</i>	<i>Dropped</i>
<b>• Household non-enumerated in the previous wave because:</b>	
<i>The whole household was absent</i>	<i>Dropped</i>
<i>The household refused to take part in the survey</i>	<i>Dropped</i>
<i>Address does not exist; unoccupied or non-residential address</i>	<i>Dropped</i>
<b>• „Split-off” household from previous waves</b>	Followed
<b>Sample person from the previous wave who:</b>	
• has moved to live in another private household on the territory of the country	Followed in his/her new household
• is temporarily absent but is still member of the household	Followed in the household from which he/she is temporarily absent.
• <i>Has moved to a collective household or abroad</i>	<i>Dropped</i>
<b>Co-residents who have moved:</b>	
• to another household in which there is a sample person	Followed
• <i>to another household without sample persons</i>	<i>Dropped</i>

## REFERENCE PERIODS

Reference period is the period of time to which a particular item of information relates.

EU-SILC uses the following reference periods for the different variables included in the survey:

- Constant;
- Current;
- Income reference period  
The income reference period is the previous calendar year;
- Working life: period of time between the time that person started his/her labor activity and at the time of the interview;
- The reference period for the questions concerning “childcare for children up to 12 years old” is a **typical (normal) week** between January and June of the survey year. “The typical week” should be understood as one which is representative of the period as a whole;
- Other periods of time associated with the data for the current economic activity, employment and unemployment for persons aged 16 and more:
  - **last week** – refers to the period “from Monday to Sunday” of the week before the interview date.
  - **previous 4 weeks** – refers to the previous 4 weeks ending with the last week.
  - **last 12 months.**

## FILLING IN THE HOUSEHOLD REGISTERS

With the **household registers** data on the following is gathered:

- Changes occurred in the households from the previous wave (**Register 1**).
- The size of the household and basic demographic and other characteristics of its members at the time of interview (**Register 2**).

**Data for each of the household members is filled in a separate row.**

In **Register 1** the interviewer should:

- **Identify what changes have occurred in the composition of the observed sample and split-off households.**
- **Describe the composition of the new households (the households from the new rotational group).**

Each sample person participate in the survey with his/her unique number RB030 which he/she has received in his/her first involvement in the survey (as a sample person or as a co-resident). The personal identification number (RB030) of each member of the household is 9-digit and is unchanging. It is formed by the household ID in the national sample (5-digit), the household type (sample or split-off) and “Number by row” of the person (2-digit).

**Personal Identification Number (RB030)** is consistent and does not contain any information that is inconsistent with the rules of confidentiality.

***Example: Household number in the national sample – 12345***

***Household type..... 00***

*(either 01 or 02 ....etc. depending on how many households have been formed from the initial sample household from the previous wave till the current one)*

***Sequential number of the person in Register 1..... 01***

***Personal number of the individual..... RB030 12345 00 01***

In Register 1 each person is given a number and questions are filled in for the person’s gender, date of birth, age at the time of interview as well as questions for the status of the person – sample person or co-resident.

The new addresses of those who have been interviewed in the previous wave but have left the household to live in another private household in the country are recorded and they are interviewed at their new address.

**In Register 2** only data for the current household members is filled in.

After determining the **number of household members at the time of interview**, the names and IDs of persons recorded in Register 1 are transferred to Register 2 and filling in the Register 2 continues for each household member by personal interview or interview with the household respondent if the person is absent.

In determining the relationship with the household head the following definition is applied:

**The household head is the person who provides the main livelihood and/or has been recognized as such by the other household members.**

Other household members are listed according to their relationship with the household head in the following order: spouse, son/daughter, son/daughter-in-law, mother/father, etc. Starting from 2020 there is a change in the recording of relations between persons in the household, in accordance with the new requirements of Eurostat. The matrix has the following form:

RB030	Name	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8
Personal number		Relationship with:							
		Person1	Person2	Person3	Person4	Person5	Person6	Person7	Person8
123450001									
123450002									
123450003									
123450004									

The following codes are used:

- 11 Husband/wife/civil partner
- 12 Partner/cohabitee
- 20 Son/daughter
- 22 Step-son/daughter
- 30 Son-in-law/daughter-in-law
- 40 Grandchild
- 51 Natural/adoptive parent
- 52 Step-parent
- 60 Parent in law
- 70 Grandparent
- 80 Brother/Sister
- 81 Natural brother/sister
- 82 Step-brother/Sister
- 90 Other relative
- 95 Other non-relative

**Legal marital status includes the following categories:**

- **Never married** – persons who have never entered into marriage on a legal basis.
- **Married** – persons who are in marriage legally formed and registered under existing laws in the country. (The answer is also valid for persons who have entered only into religious marriage before 12 May 1945).
- **Divorced** – persons having a divorce on a legal basis.
- **Widowed** – persons who are widowed after their last marriage on a legal basis (if the person has more than one such marriages).

**The de facto marital status** is determined by the marital status of the person whether it is formed legally or not. The de facto marital status may differ from the legal one. The partners should live in the same household.

**Ethnic group** is defined as a community of persons, close to each other by origin, mode of life, culture and language. Respondents determine their ethnic group themselves. Answering question on ethnic group is voluntary, i.e. if the person does not want to answer, the answer “Do not want to answer” is to be pointed. The interviewer records the answer declared. Only one answer is allowed. In case none of the predefined ethnic groups is chosen, the interviewer records clearly and legibly the ethnic group declared by the respondent in the “Other....” position. An

opportunity is ensured to mark “**Not stated**” if the respondent cannot determine his/her ethnic group. Ethnic group of children is determined by the parents. If parents have different ethnic group, the ethnic group of children is determined based on an agreement between the parents.

For each household member the ID numbers of his/her spouse and parents are recorded with the following rules:

- **The ID number of the spouse (or the partner if they are living in cohabitation without marriage)** is filled in for all persons and partners aged 16 or more. If the spouse is not living within the household the last two digits of his/her ID number are **99**! In all other cases the number from column **RB030** is taken.
- **ID number of the father and the mother** (incl. second father and mother). If the parents are not members of the household or are dead then in the corresponding column ID number **XXXXX XX 99** is filled in! In all other cases the number from column **RB030** is taken.

The new regulation requires information on the country in which the person's father was born (PB230) and the country in which the person's mother was born (PB240). The name of the country is recorded.

Register 2 contains questions related to the actual or potential education activity of household members: highest education level completed and when, is the person studying at the time of the interview and for what degree.

Educational attainment of the person at the time of the interview relates to the acquisition of a higher degree or professional qualification **within the educational system** – education in schools, colleges, universities and other educational institutions leading to the acquisition of diplomas, certificates and others recognized by the national institutions.

- Those who have started a given educational program but currently do not participate in it because of holiday or vacation between semesters, but intend to continue their studies, are recorded as students at the time of the interview.
- Children aged between 3 and 7 years old who attend kindergarten or a preparatory class are also recorded as students.

Answers to questions relating to participation in various forms of school and extracurricular activities for all **children aged from 0 to 12 years** are filled in. It is indicated how many hours in a **typical week** each child living in the household spends in an institution for children, in school (face-to-face or online education), study hall, day-care center or he/she is cared for at home by paid babysitter/ nanny or other member of the household except parents.

“**Typical week**” means one week from January to June which is a representative period as a whole. All times are rounded to the nearest hour.

“Day-care center” is a set of social services that create the conditions for fully servicing of users during the day or week related to the provision of food, to meet the daily, health, educational and rehabilitations needs as well as the needs for leisure and personal contacts.

“Center for Social Rehabilitation and Integration” is a set of social services related to rehabilitation, social, legal advice, educational and vocational training and guidance, preparation and implementation of individual programs for social inclusion.

“Center to work with children on the street” is a set of social services related to preventing children from falling into the street and dropping out of school, social rehabilitation and integration of children living permanently or partly on the street through individual work with the

child and his/her family, medical and sanitation services, literacy of children, training in parenting skills.

"Daycare center for children with disabilities" offers a set of social services for full service to children during the day, which is associated with the provision of food, meeting daily and health needs, rehabilitation needs, organization of leisure time and personal contacts.

## MODES OF DATA COLLECTION

The survey is conducted using two types of questionnaire:

- Household questionnaire;
- Individual questionnaire for each member of the household aged 16 and more

With the household questionnaire information for the following is gathered:

- Dwelling and housing conditions;
- Expenditures on the dwelling in which the household lives (repayments of loans and credits for purchasing the dwelling, costs for electricity, heating, repairs and others);
- Arrears of the households (possession of durable goods, capacity to face unexpected financial expenses and others);
- Income at household level:
  - Income of persons up to 16 years old;
  - Social transfers received (social benefits and allowances);
  - Given and received resources in cash or in kind;
  - Income from agricultural activity.

**With the individual questionnaire for each member of the household aged 16 and more** (as to 31.12 of the previous year) the following data is gathered through personal interview:

- Working life;
- Economic activity, employment and unemployment at the time of the interview;
- Information on the main and additional employment (second, third job) of those who work;
- Current monthly income from employment;
- Information on the last job of unemployed and inactive persons;
- Gross and net income for the previous year, received from different sources (employment, pension, benefits, sale or rental of movables or real estate and others);
- Self-perceived health and access to healthcare.

## CONCEPTS AND DEFINITIONS

### HOUSEHOLD QUESTIONNAIRE

In section "Dwelling and housing conditions" the following definitions are used:

- **Dwelling** – separate and independent structure which is suitable for living. It contains one or more rooms (housing and ancillary) and has one or more independent exits to the common parts (staircase, common corridor, yard or directly to the street), whether has a kitchen or not;
- **Room** – a space of housing unit at least 4 square meters and with a height over 2 meters.

The number of rooms available to the household **includes** only those that are used by the household as:

- Living rooms, bedrooms, dining rooms, rooms for the children and others;



- Rooms that are used for work or as offices but that are also used for other purposes (as living rooms, dining rooms, bedrooms, etc.);
- Kitchen that except for cooking is used for other purposes (as living room, dining room, bedroom, etc.);
- Rooms in habitable cellars and attics with a high over 2 meters;
- Rooms in habitable cellars and attics with a high below 2 meters if they are the only rooms in which the household lives;
- Rooms that are used by other households as well – the part that is used by the household is recorded.

The number of rooms available to the household **does not include**:

- Bathrooms, toilets, corridors, utility rooms, lobbies, verandas, lounges;
  - Rooms used solely for business use;
  - Kitchens used solely for cooking;
  - Rooms in habitable cellars and attics with a height below 2 meters if they are not the only rooms in which the household lives.
- **Usable area** of the dwelling in square meters – the usable area of the dwelling includes the area of the living rooms, bedrooms, dining rooms, kitchens, rooms used for business and libraries, guest rooms, vestibules as well as the area of the ancillary facilities – corridors, lobbies, bathrooms, toilets, cellars, closets, balconies and other ancillary facilities.

Questions relating to **possession or use of durable goods** are filled in accordance to the following rules:

- **It is assumed that the household possesses the item** not only if it is its owner but also in the cases when the item is provided for use by other persons, it is being repaid or it is rented. If the item is provided **ONLY for work** (e.g. computer or car) **it is assumed that the household does not possess it.**
- **The household gives answer “Cannot afford it”** in the cases when the household would like to possess the item but cannot afford it due to insufficient funds.
- **Answer “No, other reason”** is indicated when the household considers that the item is not needed due to lack of interest, age, literacy and other considerations.

**Problems related to housing** are self-assessed by the household. Except from problems with **leaking roof, damp walls/floors/foundation, rot in window frames or floor** it should be determined if the household feels **the dwelling being too dark, not having enough day-light**, if **noise from neighbors or from the street** is a problem for the household or not, etc. Noise from neighbors includes noise from water pipe, high-talking, banging doors, noisy elevator, etc. Noise from the street is associated with noise from cars, airplanes, trains, nearby restaurant, business center or organization and others.

**The ability to keep home adequately warm** refers to the affordability (ability to pay) of the household to keep normal (according to its wishes) temperature in the dwelling depending on the season.

**Environmental problems and the risk of crime violence or vandalism** refer to the nearest to the dwelling area (neighborhood, village) – the place where the household lives, usually go shopping, walking, where the children play, etc., and not as a problem of the settlement or the country as a whole. Environmental problems include polluted air, presence of fumes from cars, factories, sewer, polluted river or canal and others.

To determine the **tenure status of the household** the following definitions apply:

- **The household is owner if a member of the household** possesses a title deed independently if the house is fully paid or not;
- **Tenants** pay rent at market price or at price lower than the market;
- **Accommodation provided rent-free** applies when there is no rent to be paid, such as when the accommodation comes with the job or is provided rent-free from a private source.

**Housing costs** refer to the monthly average size of the corresponding type of expense. If the total amount for heating is covered by the state then answer “The cost is covered by the social services” should be indicated. If the household receives allowance for heating but it does not cover all the costs then only the part of the total cost paid by the household is indicated on row “monthly average amount” and the amount of the allowance is indicated in the next question for the appropriate heating season.

- **Target benefit for heating**

Target benefits for heating are granted for a heating season which covers the period from 1 November to 31 March.

The calendar year **covers two heating seasons**. In filling in the questionnaire one should take into account the following:

When central heating is used the target benefit is granted to the corresponding heating company. When electricity, solid fuel or gas is used for heating then the benefit is granted in cash to the person or family entitled. If the person declared that he/she wants to receive the benefit for solid fuel through a merchant then the granted benefit is paid directly to the merchant by “Social services” and the person receives the full quantity of solid fuel invoiced for the total amount of the benefit.

**In the questionnaire the amount of the benefits received** for the corresponding heating season are filled in.

**Affordability** of the household to meet costs related to housing and to meet basic needs is surveyed through:

- **Housing costs and financial indebtedness of the household and arrears on payments in accordance to agreed terms (bills, taxes, loans, credits and other liabilities).**

When determining the financial burden of the household related to different costs, the respondents should indicate the actual costs incurred till the time of the interview and not any accumulated debt.

“Other loans and credits from banks and other financial institutions” include all consumer loans and credits taken for buying goods and services (buying a car, furniture, holiday, durables, education) as well the use of credit cards and purchase of goods on leasing.

- **Capacity of the household to afford paying for one week annual holiday away from home.**

Positive answer is also indicated in the following special cases:

- The household stays with relatives and friends without paying for their stay but can afford travel and other costs related to the holiday;
- The household finances its holiday through borrowing;

- The household takes its rest at their villa;
- The household can afford a holiday away from home but because of business or personal issues does not go on a holiday away from home;

Negative answer is indicated when:

- The household cannot afford to pay for a holiday away from home;
- or if at least one household member cannot afford to go for a holiday as in this case it is assumed that the whole household cannot afford to go for one week annual holiday away from home;

- **Capacity of the household to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day**

Answer “No” is indicated when the household wants to have a meal with meat, chicken, fish (or vegetarian equivalent) every second day but cannot afford it due to lack of financial resources.

Answer “Yes” is indicated also in the case when the household use credit cards or loans to provide these meals.

- **Capacity of the household to face unexpected financial expenses with its own resources**

„Own resources” means that the household does not ask for financial help (loan) from banks or persons, has enough resources in its accounts, can use credit cards or overdraft.

- **Ability to “make ends meet” assessed with the household feeling about the level of difficulty experienced by the household in making ends meet based on the household’s total monthly income.**

The household should assess the minimum monthly income needed to “make ends meet” taking into account its current financial situation and its usual necessary expenses. The usual necessary expenses exclude business and farm work costs.

**Questions related to agricultural activity of the household** refer to:

- Registration of a household member(s) as a farmer and tobacco grower;
- Household participation in the production of agricultural products and livestock;
- Distribution of output (sales, consumption, providing free to other persons and households);
- Leasing of land;
- Costs incurred by the household for agricultural activity.

It is recommended that the interview for this section of the questionnaire is conducted with a member of the household who is best familiar with the performed by the household agricultural activity.

**The land used for agricultural activity** could be either owned or leased. Yards are also included if they are used for production of agricultural goods. **Only the size of the actually cultivated land** is indicated and not how many acres the household own in general. The area is filled in acres with one decimal point.

When the produced, sold, granted or consumed by the household agricultural production (only self-produced) as well as the received annuity in the form of agricultural production and expenses occurred for agricultural activity **are valued**, then **only local market prices are used. The amount is recorded in round numbers!**

**For the land given in cooperation or rented to other persons** data on its size and the amount received by the household from its rental is collected.

**Growing livestock, birds, bees and others and production of livestock products** is included for the following two reasons:

- source of income from sales (of livestock and livestock products) and
- activity which provides products for own consumption.

The recording of values for sold, consumed or given to other person products is on local market prices.

## **INDIVIDUAL QUESTIONNAIRE**

### **Economic activity of persons**

Each household member aged 16 and more **self-assess** his/her status depending on his/her daily activities at the time of interview according to the following rules:

#### **Employee is:**

- person who work for pay or other income for at least 1 hour per week;
- self-employed persons with own business, agricultural activity or a freelancer;
- family workers whether they are paid for their work;
- seasonal workers – if they have a guaranteed job for the next season as well;
- persons temporarily absent from work due to pregnancy and childbirth, regular annual leave or leave due to illness and receive benefits as insured persons;
- person temporarily absent from work due to interruption of production process, strike or other objective reasons, but will return to work after up to three months.

- **Employees**

Employees are persons who work for public or private employer for wage, salary, fee, tip or other kind of payment based on performance.

Employees are also:

- persons temporarily absent from work due to pregnancy and childbirth, annual paid leave or leave for temporary inability to work (illness) and receive benefits;
- family workers who are being regularly paid for their work;
- persons who are being trained and receive remuneration for the training – paid internship or apprentice;
- priests and other clerics who are being paid;
- seasonal workers whose main activity is associated with seasonal employment.

- **Self-employed**

Self-employed are persons working in their own business, professional practice or farm to make profit.

Self-employed are also:

- Members of producers' cooperatives who get part of the production, allocate profit or receive other kind of payment – dividends;
- Unpaid family workers as son, daughter, spouse, working in family business without formal pay.

**For employees and self-employed it is indicated if they worked part- or full-time.**

- **Unemployed** – person who is looking actively for job, wants to work and is able to start working.  
(It is not required that the person is registered in a labor office).
- **Pensioner**
  - Retirement due to old age;
  - Early retirement for other reasons – teachers, workers I and II work category.

If a person has retired earlier (before reaching the retirement age set by the law) due to economic reasons (redundancy or given up business) he/she can self-define him/herself as **pensioner or as unemployed**;

**Persons who receive disability pension but have not reached the retirement age are recorded in the category “Unable to work due to disability”.**

- **Other inactive person**
  - Child, student, housekeeper, etc.

### **Health status of persons**

The health status of persons is determined from the information collected for the subjective assessment of health status and medical services used by persons 16 years and older. An overall assessment of the person's health is made and not of his health at the time of the interview.

A chronic disease is any damage to or failure of the proper state of health, meaning that the health status has a constant deviation for a long period of time /more than 6 months/. This disease requires continuous, long-term medical monitoring and care, and regular visits to the doctor. Sustained and serious health problems that restrict the individual to perform daily activities are defined as those for which the person has become dependent on hospice care in the last six months or more.

## **INCOME COMPONENTS**

### **LABOR INCOME**

#### **➤ Employee cash or near cash income**

Employee income is defined as the total remuneration, in cash or in kind, payable by the employer to the employee in return for work done by the latter during the previous year. Employee income includes the following elements:

#### **Gross employee cash or near cash income (PY010G).**

- Wages and salaries paid in cash for time worked or work done in main and any secondary or casual job(s);
- Remuneration for paid leave;
- Remuneration for work done in overtime;
- Commissions, gratuities, tips, profit sharing and bonuses paid in cash;
- Supplementary payments (Easter and/or thirteenth month payment);
- Allowances paid for working in remote locations, allowances for transport to or from work;

- Additional payments made by employers to their employees to supplement the sick, disability, maternity leave or survivor's pay entitlement where such payments cannot be separately and clearly identified as social benefits;
- Rent paid by the employer.

**It excludes:**

- Reimbursements made by the employer for work-related expenses (e.g. business travel);
- Severance and termination pay to compensate employees for employment ending before the employee has reached the normal retirement age for that job and redundancy payments (they are included under "Unemployment benefits");
- Allowances for purely work-related expenses as those for travel and subsistence or for protective clothes;
- Lump-sum payments at the normal retirement age (included under "Unemployment benefits").

**Gross non-cash employee income (PY020G)**

It refers to non-monetary income components which may be provided free or at reduced price to an employee as part of the employment package by an employer as follows:

- Free or subsidized meals, luncheon vouchers;
- Reimbursement or payment of housing-related expenses (e.g. bills for gas, electricity, water);
- Cover the costs of rental housing;
- Telephone, incl. mobile telephone;
- Other goods and services provided free or at reduced price by the employer to their employees.

The value of goods and services provided free is calculated according to the market value of these goods and services. The value of goods and services provided at reduced price is calculated as the difference between the market value and the amount paid by the employee.

**It excludes:**

- The costs of providing any of these goods and services by the employer if they are only required for the employees to carry out their work;
- Accommodation services at a place of work which cannot be used by the household to which the employees belong;
- Accommodation provided rent-free or at reduced rent to an employee as the secondary residence of the household;
- Allowances paid to employees for the purchase of tools, equipment, clothes, etc. – needed exclusively or primary for their work;
- Special meals or drinks necessitated by exceptional working conditions;
- Other goods or services provided to employees at the place of work or required because of the nature of their work (e.g. a medical examination required for work).

**Company car (PY021G)**

The information on the private use of a company car is collected in the individual questionnaire. To evaluate the benefits of private use of company car we used the amount of kilometres driven, the number of months in which the car is used, the cost of fuel under statutory spending limits and the average price of fuel for the respective year.

➤ **Self-employment income (PY050G)**

Self-employment income includes income received as:

- Sole trader, trader or owner/ partner in a company;
- Freelancers;

- Craftsman;
- Farmer;
- Tobacco grower.
- Income from sales of own inventions, works of art and science;
- Royalties earned on writing, inventions and so on;
- Remuneration for the performance of artists.

## **INCOME FROM PROPERTY, INVESTMENTS, DIVIDENDS, INTEREST AND OTHERS**

### **Income from rental of a property or land (HY040G)**

- Income from renting estate or other property (incl. non-agricultural land)

### **Income from dividends, interest, capital investments and property sales (HY090G)**

- Participation in management and supervisory bodies of companies/firms (board of directors, etc.)
- Income from selling real estate and other property
- Income from, interest, shares, stocks, business investments, etc.

## **INCOME FROM PENSIONS, BENEFITS AND ALLOWANCES:**

### **Family/ Children allowances (HY050G)**

- Cash benefits for pregnancy and childbirth;
- Benefits for bringing up a child younger than 2;
- Lump sum for pregnancy
- Lump sum for childbirth/ adoption
- Lump-sum benefit for bringing up a child up to 1 year old by mother (adoptive mother) student;
- Lump-sum benefit for bringing up twins up to one year old;
- Additional lump-sum benefit for children with disabilities;
- Monthly benefit for bringing up a child up to one year old;
- Monthly benefit for bringing up a child with disabilities younger than 2 years;
- Monthly benefit for a child till graduation of secondary school;
- Monthly benefit for bringing up a child with disability up to completion of secondary school;
- Monthly benefit for bringing up a child living with a foster family or relatives;
- Monthly benefit for bringing up a child with physical and mental disabilities living with a foster family or relatives;
- Lump-sum benefit for bringing up a child living with a foster family or relatives;
- Target benefit for pupils;

### **Targeted social benefits (HY060G)**

- Target benefit for heating;
- Target benefit for free traveling;
- Lump-sum benefit for occasional needs arising;
- Monthly benefit for low income;

### **Housing allowances (HY070G)**

- Monthly target benefit for rent payment of municipal or state housing

### **Pension from individual private plans (PY080G)**

### **Unemployment benefits (PY090G)**

- Unemployment benefit of insured persons;
- Redundancy/ retirement benefits.

### **Old age benefits (PY100G)**

- Old age pensions
- Social old age pensions
- Pension from abroad
- Other pensions (personal, special merit and others).

### **Survivor's benefits (PY110G)**

- Survivor's pension
- Monthly allowance for a person without the right to a survivor's pension
- Supplement to the pension in case of deceased spouse
- Other lump-sum benefits

### **Sickness benefits (PY120G)**

- Paid sick leave
- Allowance for disability when there is no reason to receive old-age pension
- Lump sum benefit upon death of the insured person

### **Disability benefits (PY130G)**

- Disability pension
- Care allowance for assistance of dependents
- Monthly social integration allowances
- Other allowances

### **Education-related allowances (PY140G)**

- Scholarship/ European scholarship
- Other educational allowances

## **INTER-HOUSEHOLD CASH TRANSFERS**

- **Regular inter-household cash transfers received (HY080G)**

**Regular benefits (in cash) granted to the household** from other persons and/or households include:

- compulsory alimony and child support in case of divorced parents, given by the parent who does not live in the household;
  - regular voluntary alimony and child support;
  - regular cash support from persons other than household members, incl. from abroad;
- Gifts (for birthday, name day, Christmas), inheritances and other capital transfers to be saved for long term consumption, are excluded.

- **Regular inter-household cash transfers paid (HY130G)**



**Regular benefits (in cash) granted from the household to** other persons and/or households include:

- compulsory alimony and child support from a divorced parent given to children living in another household;

- regular voluntary alimony and child support (the person has defined him/herself the amount of the alimony and provides it regularly);

- regular cash support for persons other than household members, incl. abroad;

Gifts (for birthday, name day, Christmas), inheritances and other capital transfers to be saved for long term consumption as well as agricultural products produced by the household **are excluded**.

### **Income received by people aged under 16 (HY110G)**

Income received by people aged under 16 is recorded for all persons who were members of the household during the previous year. It includes:

- Pension from deceased parent;
- Monthly allowance for a child without the right to a survivor's pension
- Disability pension;
- Fellowship
- Other income (rewards, work during vacation, etc.)

Income received by other household members is excluded.

### **Interest repayments on mortgage (HY100G)**

Interest paid on mortgage refers to the total gross amount, before deducting any tax credit or tax allowance, of mortgage interest on the main residence of the household during the previous year.

It excludes:

- Any other mortgage payments, made at the same time, such as mortgage protection insurance or home and contents insurance;
- Payments on mortgages to obtain money for housing purposes (e.g. repairs, renovations, maintenance) or for non-housing purposes;
- Repayments of the principal or capital sum.

## **TAXES AND CONTRIBUTIONS**

### **Tax on income and social contributions (HY140G)**

Tax on income refers to the legally regulated deductions on income from different income sources.

Social insurance contributions refer to personal contributions of employees and self-employed for compulsory retirement insurance.

### **Regular taxes on wealth (HY120G)**

The tax refers to the annual property tax.

### **Employer's social insurance contribution (PY030G)**

## **Total household income**

Two main concepts used for total income.

- **Total household gross income (HY010)**
- **Total disposable household income (HY020)**

Total household gross income (HY010) represents a total sum of all individual income of household members from the following sources:

- Gross employee cash or near cash income (PY010G).
- Non-cash employee income (PY021G)
- Self-employment income (PY050G)
- Social benefits which include unemployment benefits (PY090G), old-age benefits (PY100G), survivor's benefits (PY110G), sickness benefits (PY120G), disability benefits (PY130G) and education-related allowances (PY140G)

plus income received by the household as a whole:

- Income from rental of property or land (HY040G)
- Social benefits which include family/ children related allowances (HY050G), housing allowances (HY070G), targeted social benefits (HY060G);
- Regular inter-household cash transfer received (HY080G)
- Income from dividends, interest, capital investments and property sales (HY090G)
- Income received by people aged under 16 (HY110G)

Total disposable household income (HY020) calculated as Total household gross income (HY010) reduced by:

- Regular taxes on wealth (HY120G)
- Regular inter-household cash transfer paid (HY130G)
- Tax on income and social contributions (HY140G)

## **CLASSIFICATIONS**

The following international classifications are used in EU-SILC:

- International Standard Classification of Education (ISCED'2011);
- International Standard Classification of Occupations (ISCO-2010)
- Classification of Economic Activities (NACE 2008)

## **VARIABLES LIST**

EU-SILC provides four basic files containing target variables based on common concepts and definitions.

Annual data for the countries contain the following components:

- Household register (D-file);
- Personal register (R-file)
  - Basic data;
  - Child care;
- Household data (H-file)
  - Basic data;

- Housing;
- Material deprivation;
- Income at household level;
- Personal data of people aged 16 and more (P-file)
  - Basic data;
  - Education;
  - Health status;
  - Economic activity;
  - Individual income.

Each year additional data on the household and household members on specific topics is collected, the so-called ad-hoc modules.

- 3 year`s Module 2023 Labour market and housing, 6 year`s Module 2023 Intergenerational transmission of advantages and disadvantages, Housing difficulties, the 2023 ad hoc subject on Households energy efficiency; Voluntary mini-module for the impact of COVID-19;
- 3 year`s Module 2022 Health, 6 year`s Module 2022 Quality of life; Voluntary mini-module for the impact of COVID-19;
- 3 year`s Module 2021 Health and children`s health, unmet needs of children; Ad-hoc module 2021 Accommodation and conditions of children in separated families; Voluntary mini-module for the impact of COVID-19;
- Module 2020: Over-indebtedness, consumption and wealth as well as labour
- Module 2019: Intergenerational transmission of disadvantages, household composition and evolution of income
- Module 2018 Material deprivation, well-being and housing difficulties
- Module 2017 Health and children`s health
- Module 2016 Access to services
- Module 2015 Social and cultural participation and material deprivation
- Module 2014 Material deprivation
- Module 2013 Well-being
- Module 2012 Housing conditions
- Module 2011 Intergenerational transmission of disadvantages
- Module 2010 Intra-household sharing of resources
- Module 2009 Material deprivation
- Module 2008 Over-indebtedness and financial exclusion
- Module 2007 Housing conditions
- Module 2006 Social participation

## **ADDITIONAL INDICATORS OF MATERIAL DEPRIVATION**

In 2013 the framework of the ESS agreement included additional variables on material deprivation, which will be gathered as the target secondary variables in 2014 (in module 2014 "material deprivation" where other variables pertaining to children and mobility are included). To avoid interruption of the information received, from 2015, seven variables for material deprivation, referring to the entire population will be included.

List of variables at household level

Basic needs of the household as a whole

- Ability of household to replace the worn-out furniture

Basic needs for children under 16 years:

- Some new (not second-hand) clothes;
- Two pairs of properly fitting shoes (including a pair of all-weather shoes);
- Fresh fruit and vegetables once a day;
- One meal with meat, chicken or fish (or vegetarian equivalent) at least once a day;
- Books at home suitable for their age;
- Outdoor leisure equipment (bicycle, roller skates, etc.);
- Indoor games (educational baby toys, building blocks, board games, computer games, etc.);
- Regular leisure activity (swimming, playing an instrument, youth organizations, etc.);
- Celebrations on special occasions (birthdays, name days, religious events, etc.);
- Invite friends round to play and eat from time to time;
- Participate in school trips and school events that cost money;
- Suitable place to study or do homework;
- Go on holiday away from home at least 1 week per year.

List of variables at individual level

Basic needs and free time for every person 16 + years:

- Some new (not second-hand) clothes;
- Two pairs of properly fitting shoes (including a pair of all-weather shoes);
- Get-together with friends/family (relatives) for a drink/meal at least once a month;
- Regularly participate in a leisure activity such as sport, cinema, concert;
- Spend a small amount of money each week on yourself;
- Internet access at home, which can be used for personal purposes (including-BlackBerry / iPhone), different wireless handheld devices, laptop, desktop, etc.;
- Regular use of public transport.

## **POVERTY AND SOCIAL INCLUSION INDICATORS**

The Open Method of Coordination is an instrument for coordination of the actions taken by every country of the European Union in order to ensure the social inclusion and social protection of its citizens. Key elements of the method is the definition of common goals for the European Union as a whole, development of national action plans for achieving these goals and making periodic reports for monitoring of the progress.

To trace the progress of each country on achieving the common goals, the Social Protection Committee approved indicators for measuring poverty and social exclusion, called “poverty and social inclusion indicators”. The list of these indicators contains main and secondary indicators and the following information:

1. indicator’s name;
2. definition and data source.

Methodological notes on the poverty and social inclusion indicators can be found at the NSI web site - [www.nsi.bg](http://www.nsi.bg), section ‘Social inclusion and living conditions’ and INFOSTAT.

Detailed information about the list of social inclusion indicators, definitions and algorithm for their calculation can be found on the following site:

[http://ec.europa.eu/eurostat/statistics-explained/index.php/EU\\_statistics\\_on\\_income\\_and\\_living\\_conditions\\_\(EU-SILC\)\\_methodology](http://ec.europa.eu/eurostat/statistics-explained/index.php/EU_statistics_on_income_and_living_conditions_(EU-SILC)_methodology) and the document “Poverty and social inclusion indicators – methodological notes”.

## **Equivalence scales**

The total net disposable income per equivalent unit is used to calculate the poverty and social inclusion indicators. Equivalence scales are applied due to the different composition of private households and different number of household members. The modified OECD equivalence scale is used according to which the first adult aged 14 and more receives weight of 1, the second adult aged 14 and more receives weight of 0.5 and each child aged under 14 receives weight of 0.3. Weights are given to each household member and then are summed to obtain the equivalised size of the household. Total net disposable income for each household is divided by its equivalised size and the total net disposable income per equivalent unit is formed.

## **Data weighting**

The database of each country contains different types of weights:

- Household cross-sectional weight (target variable DB090) to obtain the actual number of private households in the country;
- Personal cross-sectional weight (target variable RB050) to obtain the actual number of persons in the country;
- Personal cross-sectional weight for each household member aged 16 and more (target variable PB040) to obtain the number of persons aged 16 and more in the country;

Most of the indicators use the personal cross-sectional weight (RB050), because poverty status is calculated at individual level and the target group refers to the total population living in private households. For some indicators which focus on persons aged 16 and more (e.g. “share of working poor”) the personal cross-sectional weight for each household member aged 16 and more (PB040) is used.

When calculating the indicators the weights are adjusted with a weighting factor to reflect the missing cases (RB050a).

**List of social inclusion indicators** which are calculated using data from EU-SILC:

### **Main indicators**

- Poverty line (by household type – one person household; household with two adults and two children);
- At-risk-of-poverty rate by gender and selected age groups (total, 0 – 17, 18 – 64, 65+);
- Persistent at-risk-of-poverty rate by gender and selected age groups (total, 0 – 17, 18 – 64, 65+);
- Relative median at-risk-of-poverty gap by gender and selected age groups (total, 0 – 17, 18 – 64, 65+);
- Material deprivation rate (by poverty status – poor and non-poor; by age and selected age groups - total, 0 - 17, 18 - 64, 65+)

### **Secondary indicators**

- At-risk-of-poverty rate by gender and age (total, 0 - 17, 18 - 24, 25 - 54, 55 - 64, 65+);

- At-risk-of-poverty rate by household type (total, households without dependent children; one adult younger than 65; one adult older than 65; single female; single male; Two adults, at least one aged 65 years and over; two adults younger than 65; other households without dependent children; households with dependent children; single parent with one or more dependent children; two adults with one dependent child; two adults with two dependent children; two adults with three or more dependent children; three or more adults with dependent children);
- At-risk-of-poverty rate by work intensity, by gender and by selected age groups (full- and part-time employment; total, 0 - 17, 18 - 64, 65+);
- At-risk-of-poverty rate by economic activity and gender (employed, unemployed, pensioner, other inactive person);
- At-risk-of-poverty rate by tenure status, by gender and age groups (owner, accommodation provided rent-free, tenant, gender and age – total, 0 - 17, 18 - 64, 65+);
- Dispersion around the at-risk-of-poverty threshold (poverty line 40%, 50% and 70% of median income; gender and age: total, 0 - 17, 18 - 64, 65+);
- Material deprivation rate (average number of deprivations) by poverty status – poor, non-poor, by gender and age: total, 0 - 17, 18 - 64, 65+;

### **Additional indicators**

- Inequality of income distribution - S80/S20 (ratio between the incomes of the poorest and richest 20% of the households);
- Inequality of income distribution – Gini coefficient;
- At-risk-of-poverty rate before social transfers, by gender and age groups (with and without pensions, by gender and age: total, 0 - 17, 18 - 64, 65+);
- In-work at-risk-of-poverty rate (working full- and part-time).

The information from EU-SILC is used for:

1. International comparisons of poverty and social inclusion indicators;
2. Development of national policies to improve living conditions and reduce the risk of poverty;
3. Development of a national report on Bulgaria's progress on social protection and social inclusion strategies;
4. Development of indicators for monitoring the implementation of the objectives of strategy "Europe 2030".

### **Dissemination of data**

The date for distribution of indicators is mid-December one year after the survey.

Detailed information on the European survey can be found on the following site:

<http://ec.europa.eu/eurostat/web/income-and-living-conditions/overview>

### **Legal framework**

#### **Basic regulations**

- **Regulation (EU) 2019/1700** of the European Parliament and the Council of 10 October 2019 establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples, amending Regulations (EC) No 808/2004, (EC) No 452/2008 and (EC) No 1338/2008 of the European Parliament and of the Council, and repealing Regulation (EC) No 1177/2003 of the European Parliament and of the Council and Council Regulation (EC) No 577/98

## Implementing regulations

- **COMMISSION IMPLEMENTING REGULATION (EU) 2019/2180** of 16 December 2019 specifying the detailed arrangements and content for the quality reports pursuant to Regulation (EU) 2019/1700 of the European Parliament and of the Council"
- **COMMISSION IMPLEMENTING REGULATION (EU) 2019/2181** of 16 December 2019 specifying technical characteristics as regards items common to several datasets pursuant to Regulation (EU) 2019/1700 of the European Parliament and of the Council"
- **COMMISSION IMPLEMENTING REGULATION (EU) 2019/2242** of 16 December 2019 specifying the technical items of data sets, establishing the technical formats and specifying the detailed arrangements and content of the quality reports on the organisation of a sample survey in the income and living conditions domain pursuant to Regulation (EU) 2019/1700 of the European Parliament and of the Council"
- **COMMISSION DELEGATED REGULATION (EU) 2020/256** of 16 December 2019 supplementing Regulation (EU) 2019/1700 of the European Parliament and of the Council by establishing a multiannual rolling planning"
- **COMMISSION DELEGATED REGULATION (EU) 2020/258** of 16 December 2019 supplementing Regulation (EU) 2019/1700 of the European Parliament and of the Council by specifying the number and the titles of the variables for the income and living conditions domain"

## Regulations on the ad-hoc modules

**2008 – Regulation (EU) No.215/2007**, of 28 Feb 2007, implementing Regulation (EC) No.1177/2003 ... (EU-SILC) as regards the 2008 list of target secondary variables relating to **“over-indebtedness and financial exclusion”**, published in the Official Journal of the European Union L.62, 1/3/2007 P.0008-0015.

**2009 – Regulation (EU) No.362/2008**, of 14 Apr 2008, implementing Regulation (EC) No.1177/2003 ... (EU-SILC) as regards the 2009 list of target secondary variables on **“material deprivation”**, published in the Official Journal of the European Union L 112/1 of 14/4/2008.

**2010 – Regulation (EU) No.646/2009**, of 23 Jul 2009, implementing Regulation (EC) No.1177/2003 ... (EU-SILC) as regards the 2010 list of target secondary variables on **“intra-household sharing of resources”**, published in the Official Journal of the European Union L192/3 of 24/07/2009.

**2011 – Regulation (EU) No. 481/2010** of 1 June 2010, implementing Regulation (EC) No 1177/2003..... (EU-SILC) as regards the 2011 list of target secondary variables on **“intergenerational transmission of disadvantages”**, published in the Official Journal of the European Union L135/39 of 02/06/2010.

**2012 – Regulation (EU) No. 1157/2010** of 9 December 2010, implementing Regulation (EC) No 1177/2003.... (EU-SILC), as regards the 2012 list of target secondary variables on **“housing conditions”**, published in the Official Journal of the European Union L326/3 of 10/12/2010.

**2013 – Regulation (EU) No. 62/2012** of 24 January 2012, implementing Regulation (EC) No 1177/2003.....(EU-SILC), as regards the 2013 list of target secondary variables on **“well-being”**, published in the Official Journal of the European Union L22/9 of 25/01/2012.

**2014 – Regulation (EU) No 112/2013** of 7 February 2013 implementing Regulation (EC) No 1177/2003..... (EU-SILC), as regards the 2014 list of target secondary variables on **material deprivation**, published in the Official Journal of the European Union L 37/2 of 08/02/2013.

**2015 – Regulation (EU) No 67/2014** of 27 January 2014 implementing Regulation (EC) No 1177/2003..... (EU-SILC), as regards the 2015 list of target secondary variables on **social and cultural participation and material deprivation**, published in the Official Journal of the European Union L 23/1 of 28/01/2014.

**2016 – Regulation (EU) No 245/2015** of 16 February 2015 implementing Regulation (EC) No 1177/2003..... (EU-SILC), as regards the 2016 list of target secondary variables on **access to services**, published in the Official Journal of the European Union L 41/11 of 17/02/2015.

**2017 – Regulation (EU) No 114/2016** of 28 January 2016 implementing Regulation (EC) No 1177/2003..... (EU-SILC), as regards the 2017 list of target secondary variables on **health and children’s health**, published in the Official Journal of the European Union L 23/40 of 29/01/2016.

**2018 – Regulation (EU) No 310/2017** of 22 February 2017 implementing Regulation (EC) No 1177/2003..... (EU-SILC), as regards the list of target secondary variables on **material deprivation, well-being and housing difficulties** for 2018, published in the Official Journal of the European Union L 45/1 of 23/02/2017.

**2019 - Regulation (EU) No 174/2018** of 2 February 2018 implementing Regulation (EC) No 1177/2003 ..... (EU-SILC) as regards the list of target secondary variables on **intergenerational transmission of disadvantages, household composition and evolution of income** for 2019, published in the Official Journal of the European Union L 32/35 of 06/02/2018

**2020 - Regulation (EU) 2019/414** of 14 March 2019 implementing Regulation (EC) No 1177/2003 ..... (EU-SILC) as regards the 2020 list of target secondary variables on **over-indebtedness, consumption and wealth as well as labour**, published in the Official Journal of the European Union L 73/105 of 15/03/2019

**2021** - module on living arrangements and conditions of children in separated and blended families and 3- yearly module on health and access to health of the children: Commission **Implementing Regulation (EU) 2019/2242** of 16 December 2019 and Commission **Delegated Regulation (EU) 2020/258** of 16 December 2019.

**2022** - Commission **Regulation (EU) N° 2020/1721** of 17 November 2020 specifying technical items of data sets of the sample survey in the income and living conditions domain on health and quality of life pursuant to Regulation (EU) 2019/1700 of the European Parliament and of the Council

**2023 – COMMISSION IMPLEMENTING REGULATION (EU) 2021/2052** of 24 November 2021 specifying technical items of data sets of the sample survey in the income and living conditions domain on Labour market and housing, Intergenerational transmission of advantages and disadvantages, Housing difficulties, and the 2023 ad hoc subject on Households energy efficiency pursuant to Regulation (EU) 2019/1700 of the European Parliament and of the Council