

Methodological notes

1. Monthly data on earnings and number of employees are obtained from a sample statistical survey. In view to set up the sample size, estimates of the main characteristics observed have been taken into account, which could be affected by errors in the limit of +/-3% and guaranteed with a probability of 95%. Since January 2022, the sample includes about 23000 economic and social units. Budgetary sector 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 88.07% 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,
- arts, entertainment and recreation,
- landscape and services for buildings,
- agriculture,
- water supply; sewerage, waste management and remediation activities,
- construction,
- transportation and storage,
- electricity, gas, steam and air conditioning supply,
- renting and sub-renting real estate goods etc.

Information about 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, human health and social work activities (including private sector for education – about 3.6%, respectively human health and social work activities - about 11.2%), excluding armed forces and similar staff (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 Finance, according to the stipulations of Urgency Government Ordinance no. 48/2005, with later completions and modifications.

4. Concepts and definitions

✓ **The average gross monthly earnings** are calculated by relating the gross amounts paid from the salary funds, from the net profit and other funds, to the average number of employees.

The **gross amounts paid** to employees include:

• **Gross amounts paid from the salary funds for time worked:**

- gross basic salaries corresponding to the hours actually worked in full-time and overtime (including indexations, leadership allowances, performance salaries and other rights which, according to the legislation, are included in the basic salary);
- bonuses and allowances granted as percentage of the basic salary or as flat rates;

- bonuses/awards/benefits granted over the year or annually in different forms from the salary funds (including the 13th salary, holiday bonuses);
 - exceptional payments/bonuses (occasional) paid to the employees who are leaving the enterprise (including retirement bonuses), only if the respective amounts are not related to a labour contract;
 - amounts paid to employees for transportation to/from the workplace;
 - amounts granted for the payment of employees for holiday leaves not taken;
 - amounts related to the risk incentive granted to the medical staff, in accordance with the legal provisions in force;
 - other amounts paid in accordance with the legal provisions in force and/or established by the labour contracts;
 - payment of the managers or, as the case may be, the gross allowances of administrators or performance bonuses granted to them, in accordance with the management, administration, mandate or performance contracts, in accordance with the legal provisions in force.
- **Gross amounts paid from the salary funds for hours not worked:**
 - amounts paid for hours not worked (holiday or study leaves, legal holidays, special family events, etc.) in accordance with the legal provisions in force and/or established by the employment contracts;
 - allowances for temporary work incapacity caused by common diseases or non-related to work injuries, professional diseases and work injuries paid from the salary funds (excluding the amounts paid from the Unique National Health Insurance Fund and Work-Related Accidents and Occupational Diseases Insurance Budget), in accordance with the legal provisions in force;
 - allowances for the employees who were in quarantine/home isolation, in accordance with the legal provisions in force;
 - amounts paid for work interruptions non-imputable to employees (including technical unemployment as a compensation paid from the basic salary, in accordance with the legal provisions in force);
 - allowances of which the employees benefit for the period when the labour contract is temporary suspended at the employer initiative (technical unemployment), irrespective if are borne by the employer or from the state budget, in accordance with the legal provisions in force;
 - allowances of which the employees benefit for the days off granted to parents in order to supervise their children, in cases of temporary closure of educational institutions, in accordance with the legal provisions in force;
 - allowances of which the employees benefit as a result of working hours reduction, in accordance with the legal provisions in force.
 - **Gross amounts paid from salary fund as payments in kind and cash aids** include the equivalent value of the payments in kind and of the cash aids, paid as work remuneration (in accordance with the legal provisions in force and/or established by labour contracts);
 - **Gross amounts paid to the employees (as incentives) from net profit of the unit**, including the amount corresponding to the share of the manager or administrator, as the case may be, excluding dividends paid from the net profit;
 - **Gross amounts paid from other funds (including the payments in kind, cash aids, food allowance/norm, other allowances) than the salary funds**, including incentives granted from a fund established by applying a percentage to the amounts obtained from turning into account seized goods from penalties coming from amounts cashed based on enforced legal acts in accordance to the Fiscal procedure code, those cashed based on judicial restructuring and bankruptcy, other incentive granted besides the salary funds, the amounts paid for activity performed in projects financed from European funds, payments in kind as products, rents, fuel,

energy, transport; the values tickets equivalent (meal tickets, gift tickets, nursery tickets, cultural tickets, holiday vouchers/tickets), all amounts granted based on legal provisions force.

- ✓ **The average net monthly earnings** results by subtracting from the paid gross amounts related to the average gross monthly earnings the social security contribution paid by the employees, the social health insurance paid by the employees and the corresponding tax, the result being divided by the average number of employees.

***Note:** 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.

- ✓ **The average number of employees** is calculated as a simple arithmetic mean of the sum of the daily number of employees (those with suspended labour contract/agreement **excluded**), over the reference period, including the week-ends, legal holidays and other non-working days, divided by the total number of calendar days.

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In the **total daily number of employees** considered for the calculation of the average number **are included**:

- persons employed under a labour contract/agreement of a definite or indefinite duration, including the employees detached to work abroad (if the unit that detached them provided remuneration in the country, for which it transferred compulsory social contributions and tax);
- persons whose labour contract/agreement has been suspended at the initiative of the employer (in case of temporary interruption of activity) and have received an allowance from the basic salary corresponding to the job;
- persons who are temporarily in work incapacity (medical leave) during the time period in which they are paid from the employer own funds;
- persons in quarantine/home isolation during the time period when are paid by the employer from their own funds;

- parents, during the days off granted to them in order to supervise their children, in cases of temporary closure of educational institutions, irrespective of the funds from which they are paid;
- employees whose working hours has been temporarily reduced, irrespective of the funds from which they are paid.

In the daily number of employees taken into consideration when calculating the average number, the following **are not included**: employees on leaves without pay, on strike, owners, family workers, members of county and local councils, day labourers.

During the week-ends, legal holidays and other non-working days the number of employees of the previous day is taken into consideration as daily number of employees, except the number of those employees whose labour contract/agreement ceased that day. If the unit established or ceased its activity during the reference month, the daily number of employees is taken into account only for the period in which it operated, and the resulting amount is divided by the total number of calendar days.

Part-time employees are included in the average number proportional with the working time included in the labour contract. In the number of employees taken into consideration in the average number only the paid persons are included.

Exceptionally, in the cases when **amounts corresponding to previous periods are paid** (e.g. bonuses over the year or annual bonuses, holiday bonuses, the 13th salary, gross backdated paid arrears for the last months of the previous year (i.e. the payments of the companions of persons with disabilities), gross amounts paid retroactively as a result of winning in court of holiday bonuses and other amounts for the current year), **the number of beneficiaries** (former employees or employees with suspended labour contract/agreement) **are included in the average number of employees** proportionally with the periods for which respective payments were done, so that a direct correlation between the gross amounts paid and the average number of employees is to be made.

- ✓ **The average gross earnings index** is calculated as ratio between the average gross earnings in the current month and that in the comparison month, expressed as a percentage.
- ✓ **The average net earnings index** is calculated as ratio between the average net earnings in the current month and that in the comparison month, expressed as a percentage.
- ✓ **The real earnings index** is calculated as ratio between the average net earnings index and general consumer price index expressed as a percentage.