

## **Comparison of SILC income target variables and number of persons who receive income from each 'income component', with external sources**

A comparison with external sources for all income target variables and the number of persons who receive income from each 'income component' will be provided, where the Member States concerned consider such external data to be sufficiently reliable.

Relevant reference sources for comparisons are Total Statistics on Income Distribution (TSID) and National Accounts (NA) by Statistics Finland. TSID are compiled from the Total Income Database (TIDB), which is used as a register income source both for the national Income Distribution Statistics (IDS) and the EU-SILC based on a common sample. Otherwise than the IDS and EU-SILC, TSID uses the household-dwelling unit for a household definition. As an additional source for comparisons of social transfers it has used the European System of Integrated Social Protection Statistics (ESSPROS) compiled by the National Institute for Health and Welfare (THL). Coverage of ESSPROS cash benefits is more exhaustive than in the EU-SILC: benefits paid to the persons in institutional care (incl. pensions) and to the persons permanently resident abroad, but who are entitled to benefits (e.g. cross-border employees and their family members) are included as inseparable income receivers in the figures of comparison. The EU-SILC covers only the non-institutionalised household population. Housing allowances defined as benefits in kind of ESSPROS are included in the figures accordance with the EU-SILC cash component (HY070G).

The differences in income amounts and income receivers between the EU-SILC and TSID follow mostly due to differences in items defined to the components, and the EU-SILC unit-non response (Table 1). Almost all income items are collected to the EU-SILC sample units from TIDB. Information about crucial demographic and income variables are used as well from TIDB in weighing for correcting non-response. Therefore, inconsistencies between the EU-SILC and TSID income are primarily resulting from the non-response of units having received certain type of register income not used in weighing. Interviewed information completes the EU-SILC income only slightly compared with the TSID income.

Differences between EU-SILC and TSID income are as follows. TSID includes:

- Profits from sales and their taxes
- All items of gross non-cash employee income

TSID excludes:

- Pensions from abroad, not taxed in Finland (PY100G)
- Some monetary compensation items from benevolent funds (PY130G)
- Grants for scientific research and art and conscript benefits (PY140G)
- Maternity grant and maintenance allowance (HY050G)
- Untaxed part of strike assistance (HY060G)
- Interest income taxed at source (HY090)
- Regular inter-household transfers received (HY080, HY130G)
- Real Estate Tax paid on the buildings and land for residential purposes (HY120G)

Table 1. Income component sums and receivers, difference (%) of EU-SILC with TSID in 2011

Income components	Amount	Number of receivers	
2.1. Gross employee income (py010g,py021g)	-0.4	-0.6	TSID: Employee income received by persons aged under 16 is included. All items of gross non-cash employee income are included.
2.2. Self-employment income	-0.3	5.0	TSID: Self-employment income received by persons aged under 16 is included.
2.3. Property income (hy040g, hy090g, py080g)	-24.8	11.6	TSID: Profits from sales are included, interests income taxed at source is not included in the income component.
2.4. Current transfers received	-2.4	3.0	TSID: Inter-household transfers received are not included
PY090G. Unemployment benefits	0.5	-1.1	
PY100G. Old-age benefits	3.6	1.3	TSID includes pensioners' housing allowances (benefits in kind), it does not include income received from PY130G for the persons who are on old-age pensions after the standard age.
PY110G. Survivors' benefits	-8.7	-9.6	
PY120G. Sickness benefits	4.3	1.7	
PY130G. Disability benefits	-4.3	-3.6	See PY100G
PY140G. Education-related allowances	57.6	19.4	TSID does not include grants for scientific research and art and conscript benefits. Certain differences in the classification.
HY050G. Family/children - related allowances	12.8	1.1	TSID: Maternity grants and maintenance allowances are not included.
HY060G. Social exclusion payments not elsewhere classified	-10.1	-12.5	
HY070G. Housing allowances	-5.9	-4.7	
2.5. Other income received	100.0	100.0	Income (HY110G) is included in other TSID income components.
2.6. Current transfers paid	1.3	2.6	TSID: Inter-household transfers paid are not included. Tax paid on profits from sales is included.
Total gross household income including PY080g (excluding imputed rent and mortgage interests, negative values have been changed for 0-values).	-1.0	0.8	In addition to estimation of EU-SILC, the difference is mostly due to other non-cash employee income than a company car, profits from sales included in TSID, and household transfers received not included in TSID.
Total disposable household income including PY080g (excluding imputed rent and mortgage interests, negative values have been changed for 0-values).	-1.8	0.8	In addition to estimation of EU-SILC, the difference is mostly due to other non-cash employee income than a company car,
Components not in the EU-SILC total disposable household income definition: cross-employee income (py010g,py020g)	0.1	8.2	TSID: Employee income received by persons aged under 16 is included.
Persons aged 16 and over		0.0	
Households		0.6	TSID: Household-dwelling unit

Compared with the ESSPROS and the TSID social benefits (Table 2), the definitions and used classifications have an effect on the differences. The definitions concern the following income components: PY110G, PY120G, PY130G and HY070G. Sick pay which is included in EU-SILC PY010G, not in PY120G consist of 56.4 per cent of all sickness cash benefits in ESSPROS. It is also

notable that PY130G disability benefits have not been grouped in PY100G old age benefits after statutory retirement age in ESSPROS as in the EU-SILC. From housing allowances which have been counted in the EU-SILC HY070G, pensioners' housing allowances are as part of old age benefits in kind, whereas students' housing supplements have not been included in ESSPROS at all.

*Table 2. Income component sums, difference (%) of EU-SILC with ESSPROS in 2011*

Income components	Amount difference (%)	
PY090G. Unemployment benefits	3.1	
PY100G. Old-age benefits	0.8	ESSPROS does not include income received from PY130G for the persons after the standard retirement age.
PY110G. Survivors' benefits	-18.8	
PY120G. Sickness benefits	-75.3	ESSPROS includes sick pay which has been counted in PY010G employee income.
PY130G. Disability benefits	-14.8	See PY100G.
PY140G. Education-related allowances	.	
HY050G. Family/children -related allowances	1.8	ESSPROS includes the income maintenance benefits paid in the event of child birth and the parental leave. The benefits are paid as salary which are in PY010G employee income.
HY060G. Social exclusion payments not elsewhere classified	-29.6	ESSPROS includes wage guarantee, which is in PY010G employee income.
HY070G. Housing allowances	11.9	ESSPROS does not include students' housing supplements. As of 2008, ESSPROS contains pensioners' housing

Table 3 presents the differences of income component sums between longitudinal and cross-sectional data (information about longitudinal data will be updated later for ESQRS ver. 2., description as follows is based on the version 1 from the survey year 2011, income reference year 2010). The relative effect of separate income components can be figured out from the last column, which provides the total sums. The more marked differences in the major income components follow from the attrition and different weighting procedure used for the longitudinal data (See Annex - Weighting). Demographic variables have been calibrated by rotational group, but calibration has not been processed for income variables after the first wave, e.g. because of highly increasing variance in later waves. In addition to attrition, real income changes in left-censored panels cause differences between longitudinal and cross-sectional data.

*Table 3. Income component sums, difference (%) of the EU-SILC longitudinal (not yet updated, weighted by base weights of the survey year) with cross-sectional data by wave in 2011*

	Amount difference (%)			Cross-sectional
Variable	DB075=2	DB075=1	DB075=4	(1 000)
	Wave 2	Wave 3	Wave 4	
HY010				123 180 807
HY020				93 707 553
HY022				81 988 482
HY023				65 701 416
HY030G				12 249 755
HY040G				1 277 128
HY050G				3 041 241
HY060G				559 225
HY070G				1 089 095
HY080G				371 956
HY090G				4 574 147
HY100G				1 621 941
HY110G				132 612
HY120G				407 890
HY130G				642 853
HY140G				28 423 060
Households (N)				2 571
PY010G				75 645 633
PY020G				511 402
PY021G				831 599
PY030G				6 362 988
PY050G				75 645 633
PY070G				.
PY080G				1 388 953
PY090G				3 438 116
PY100G				18 340 974
PY110G				1 375 622
PY120G				589 628
PY130G				3 716 595
PY140G				765 492
Persons (N)				4 378

Table 4 provides figures on equivalent-like income components from NA private household sector for comparisons.

*Table 4. Income component sums, difference (%) of the EU-SILC cross-sectional data with National Accounts (NA) in 2011*

	Amount difference (%)	
2.1. Gross employee income (py010g, py021g)	-3.0	NA includes non-taxable income items such as estimates on non-taxable and non-monetary income provided to an employee by an employer.
2.2. Self-employment income	-33.1	The NA concept s on operating surplus and mixed income (B4N-B43N) differs from the one of the EU-SILC entrepreneur income. For example, NA's mixed income includes rental income from rental activity (other than land) in unincorporated enterprises and value added from self-construction. Operating surplus from owner-occupied dwellings as imputed rent has been excluded from the figure beside.
2.3. Property income (hy040g, hy090g, py080g)	-20.0	NA (D4R) includes the following items, e.g. estimated value of premiums and claims from life- and pension insurances to insurants, property income of mutual funds (interests and dividends), which have been invested forward on shareholders' behalf.
2.4. Current transfers received	-11.0	NA includes compensations from individual personal insurance schemes more extensively. It does not include transfers received from other private households.
2.5. Other income received	.	NA: Income (HY110G) is included in other income components.
2.6. Current transfers paid	-17.9	NA includes optional contributions, e.g. contributions to indemnity insurance, church tax, membership fees of trade unions, other membership fees and employees' optional contributions to social insurance. It does not include transfers received from other private households. In NA income tax refers to time point the taxes have been actually paid, whereas in SILC the tax reference time period equals to the income reference period (i.e. when the income have been received).
Total gross household income (excluding imputed rent and mortgage interests, negative values have been changed for 0-values).	-5.8	
Total disposable household (excluding imputed rent and mortgage interests, negative values have been changed for 0-values).	-1.3	
Components not in the EU-SILC total disposable household income definition: cross-employee income (py010g, py020g)	-2.6	
Imputed rent	89.2	NA counts FISIM and depreciation of owner-occupied dwellings as expenses for the net operating surplus from owner-occupied dwellings.
- Interest payments of housing loans for owner occupiers	-12.4 <sup>P</sup>	

p=provisional