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Minimum wages (earn_minw)

Reference Metadata in Euro SDMX

Metadata Structure (ESMS)

Compiling agency: Eurostat, the statistical office of the European Union

Eurostat metadata

Reference metadata

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For any question on data and metadata, please contact: <u>Eurostat user support</u>

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1.1. Contact organisation	Eurostat, the statistical office of the European Union
1.2. Contact organisation unit	F3: Labour market

1.5. Contact mail address	L-2920 Kirchberg
	LUXEMBOURG

2. Metadata update	<u>Top</u>
2.1. Metadata last certified	31/01/2024
2.2. Metadata last posted	31/01/2024
2.3. Metadata last update	31/01/2024

3. Statistical presentation

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3.1. Data description

Minimum wage statistics refer to *national* minimum wages. The following data are available:

- Monthly minimum wages in euro, national currencies and Purchasing Power Standards (PPS). The data are bi-annual and refer to 1 January (S1) and 1 July (S2) from 1999 onwards.
- Monthly minimum wage as a proportion of average monthly earnings in the business economy and in industry, construction and services (except activities of households as employers and extra-territorial organisations and bodies) (Nace Rev. 2). The data are annual from 2008 onwards.
- Monthly minimum wage as a proportion of average monthly earnings in industry and services (NACE Rev. 1.1). The data are annual from 1999 to 2009.

Data are released in January and July on the basis of information from national authorities such as national statistical institutes and ministries of labour and social affairs.

3.2. Classification system

The classification NACE Rev. 2 is used for calculating monthly minimum wage as a proportion of average monthly earnings.

3.3. Coverage - sector

Monthly minimum wages: employees in all sectors or at least in a majority of sectors. Monthly minimum wage as a proportion of average monthly earnings (%) - Nace Rev. 2 (from 2008 onwards): average monthly earnings refer to sections B to N (business economy) and B to S (industry, construction and services, except activities of households as employers and extra-territorial organisations and bodies).

Monthly minimum wage as a proportion of average monthly earnings (%) - Nace Rev. 1.1 (1999-2009): average monthly earnings refer to sections C to K (industry and services excluding public administration).

3.4. Statistical concepts and definitions

Minimum wage statistics refer to *national* minimum wages.

The basic *national* minimum wage is fixed at an hourly, weekly or monthly rate, and this minimum wage is enforced by law (the government), often after consultation with the social partners, or directly by national intersectoral agreement. The national minimum wage usually applies to all employees, or at least to a large majority of employees in the country. Gross wages are reported.

Eurostat provides national minimum wages at *monthly rates*. For the countries where the national minimum wage is not fixed at a monthly rate, its hourly or weekly rate is converted into a monthly rate according to conversion factors supplied by the countries (e.g. (hourly rate x 40 hours x 52 weeks) / 12 months).

In addition, when the minimum wage is paid for more than 12 months per year, data have been adjusted to take these payments into account (e.g. for the countries where it is paid for 14 months a year, the minimum wage is calculated as follows: (monthly rate \times 14) / 12)).

The country-specific information on national minimum wages is available in annex.

As regards, the monthly minimum wage as a proportion of average monthly earnings, gross monthly earnings cover remuneration in cash paid before any tax deductions and social security contributions payable by wage earners and retained by the employer, and restricted to gross earnings which are paid in each pay period. 'Nonstandard payments' such as 13th or 14th month payments (except Greece, Spain, and Portugal), holiday bonuses, and so on are excluded. This definition follows that applied within the structure of earnings survey.

Gross monthly earnings should refer to NACE Rev. 2 Sections B–S (industry, construction and services, except activities of households as employers and extraterritorial organisations and bodies) and cover full-time employees working in enterprises of all sizes.

Any deviations from the above definition are reported in annex.

3.5. Statistical unit

The statistical unit is the employee.

3.6. Statistical population

Employees.

3.7. Reference area

Minimum wage statistics cover EU Member States and the candidate countries with a *national* minimum wage. The national minimum wage is in 21 of the EU Member States: Belgium, Bulgaria, Czechia, Germany (from 1 January 2015), Estonia, Ireland, Greece, Spain, France, Croatia, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia and Slovakia. In all these countries, except Belgium, the national minimum wage is enforced by the government, often after consultation with the social partners. In Belgium, the national minimum wage is set by national intersectoral agreement and acquires legal force by royal decree. The following candidate countries have a national minimum wage: Albania, North Macedonia, Montenegro, Serbia and Turkey. Data cover also the USA having a national minimum wage. Country-specific information is available in annex.

There is no national minimum wage in 5 EU Member States and the EFTA countries (data is flagged (z)):

• Denmark, Italy, Austria, Finland and Sweden as well as Iceland, Norway and Switzerland: minimum wages are set by sectoral collective agreements.

No EU aggregates are calculated due to the nature of the data: not all countries have a national minimum wage and the meaningfulness of a minimum wage at EU level (e.g. calculated as the mean of national minimum wages) is questionable.

3.8. Coverage - Time

The data on monthly minimum wages in euro, Purchasing Power Standards (PPS) and national currencies are available from 1999 onwards.

The data on monthly minimum wage as a proportion of average monthly earnings (%) - Nace Rev. 2 sections B to N and B to S are available from 2008 onwards.

The data on monthly minimum wage as a proportion of average monthly earnings (%) - Nace Rev. 1.1 sections C to K are available for 1999-2009.

3.9. Base period

Not applicable.

4. Unit of measure

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Monthly minimum wages are in euro, national currencies (including euro converted from former national currencies using the irrevocably fixed rate for all years) and Purchasing Power Standards (PPS) as well as a proportion of average monthly earnings.

The time series in national currencies (NAC) is available from 1999 onwards as follows:

Country National currency

Belgium **EUR** Bulgaria **BGN** Czechia **CZK** Germany (from 2015 onwards) **EUR** Estonia **EUR** Ireland (from 2000 onwards) **EUR** Greece **EUR** Spain **EUR** France **EUR** Croatia (from 2008 onwards) **EUR** Cyprus (from 2023 onwards) **EUR** Latvia **EUR** Lithuania **EUR EUR** Luxembourg Hungary **HUF** Malta **EUR** Netherlands **EUR** Poland PLN **Portugal EUR** Romania RON Slovenia **FUR** Slovakia **EUR** Albania ALL Montenegro (from 2013 onwards) **EUR** North Macedonia (from 2013 **MKD** onwards)

For those countries that changed their national currency to euro from 1999 to 2015, the whole time series is presented in euro.

RSD TRY

USD

5. Reference Period

Serbia

Türkiye

United States

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Monthly minimum wages: 1 January (S1) and 1 July (S2).

Monthly minimum wage as a proportion of average monthly earnings: calendar year.

6. Institutional Mandate

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6.1. Institutional Mandate - legal acts and other agreements

Data are collected on the basis of a gentlemen's agreement.

6.2. Institutional Mandate - data sharing

Not applicable.

7. Confidentiality

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7.1. Confidentiality - policy

Regulation (EC) No 223/2009 on European statistics (recital 24 and Article 20(4)) of 11 March 2009 (OJ L 87, p. 164), stipulates the need to establish common principles and guidelines ensuring the confidentiality of data used for the production of European statistics and the access to those confidential data with due account for technical developments and the requirements of users in a democratic society.

7.2. Confidentiality - data treatment

Not applicable.

8. Release policy

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8.1. Release calendar

In general, data are released in January and July.

8.2. Release calendar access

Not applicable.

8.3. Release policy - user access

In line with the Community legal framework and the European Statistics Code of Practice Eurostat disseminates European statistics on Eurostat's website (see item 10 - 'Accessibility and clarity') respecting professional independence and in an objective, professional and transparent manner in which all users are treated equitably. The detailed arrangements are governed by the Eurostat protocol on impartial access to Eurostat data for users.

9. Frequency of dissemination

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Data are released twice a year.

10. Accessibility and clarity

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10.1. Dissemination format - News release

Please consult the latest News Item

10.2. Dissemination format - Publications

Data are published in the Statistics Explained on minimum wage statistics.

10.3. Dissemination format - online database

Please consult free data online.

10.4. Dissemination format - microdata access

Not applicable.

10.5. Dissemination format - other

Please see more information on publications, datasets and metadata disseminated.

10.6. Documentation on methodology

The guidelines and definitions are included in the questionnaire used in the data collection. The main definitions and concepts are provided in this metadata file.

10.7. Quality management - documentation

The guidelines and definitions are used in the data collection to ensure that the information on minimum wages is presented in a way that is as consistent and comparable as possible.

11. Quality management

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11.1. Quality assurance

The data on national minimum wages are based on the relevant national legal acts fixing minimum wages. The guidelines and definitions are used in the data collection to ensure that the information on minimum wages is presented in a way that is as consistent and comparable as possible.

11.2. Quality management - assessment

The information on minimum wages is presented in a way that is as consistent and comparable as possible. Any deviations from the definitions are reported by the countries and included in annex below.

12. Relevance

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12.1. Relevance - User Needs

The data on monthly minimum wages are used by the European Commission, national governments, trade unions, employers' associations and media.

12.2. Relevance - User Satisfaction

The data are, particularly, appreciated by media providing regular coverage of minimum wages.

12.3. Completeness

The data cover all Member States and the candidate countries where a national minimum wage is applied. There is no minimum wage in the EFTA countries.

Some countries do not provide a monthly minimum wage as a proportion of the median value of average monthly earnings but only as a proportion of the mean value of average monthly earnings.

13. Accuracy

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13.1. Accuracy - overall

Not applicable.

13.2. Sampling error

Not applicable.

13.3. Non-sampling error

Not applicable.

14. Timeliness and punctuality

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14.1. Timeliness

Monthly minimum wages: released approximately 3-4 weeks after the reference date. Monthly minimum wage as a proportion of average monthly earnings: released approximately 1-2 years after the reference period.

14.2. Punctuality

Punctuality is generally respected.

15. Coherence and comparability

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15.1. Comparability - geographical

The *national* minimum wage usually applies to all employees or at least to a large majority of employees in the countries concerned. In some countries, different minimum wage rates may apply in some sectors or can depend on age, length of service, skills of employees and economic conditions in which enterprises are operating.

Minimum wages are gross amounts, that is, before deduction of income tax and social security contributions. Such deductions vary between countries. For the countries where the national minimum wage is not fixed in gross terms, the net value is grossed up to cover the applicable taxes. This is the case of Montenegro and Serbia.

For the countries where the national minimum wage is not fixed at a monthly rate, its hourly or weekly rate is converted into a monthly rate according to conversion factors supplied by the countries as follows:

- Germany: data from January 2020 onwards ((hourly rate x 38.1 hours per week) * 4.346); the value of 38 hours relates to mean basic hours per week for full time employees in NACE Rev.2 sections B to S: this value is a result of quarterly earnings survey;
- Ireland: (hourly rate x 39 hours x 52 weeks) / 12 months;
- France: data from July 2005 onwards (hourly rate x 35 hours x 52 weeks) / 12 months;
- The Netherlands: (hourly rate x 36 hours x 52 weeks) / 12
- Malta: (weekly rate x 52 weeks) / 12 months;
- United States: (hourly rate x 40 hours x 52 weeks) / 12 months.

In Serbia, the national minimum wage is determined in net hourly terms. The following conversion is applied: (hourly net rate x 40 hours x 52.2 weeks) / 12 months. This value is then grossed up to cover applicable taxes.

In addition, when the minimum wage is paid for more than 12 months per year (as in Greece, Spain and Portugal, where it is paid for 14 months a year), data have been adjusted to take these payments into account. The minimum wage is calculated as follows: (monthly rate x 14) / 12.

The country-specific information on national minimum wages is available in annex.

As regards the monthly minimum wage as a proportion of average monthly earnings, there is a number of the deviations from the definition of average monthly earnings reported by the countries. All of them are presented in annex.

15.2. Comparability - over time

Monthly minimum wages as a proportion of average monthly earnings in industry and services (NACE Rev. 1.1) are from 1999 to 2009. Monthly minimum wages as a proportion of average monthly earnings in the business economy and in industry, construction and services (except activities of households as employers and extraterritorial organisations and bodies) (Nace Rev. 2) are from 2008 onwards.

15.3. Coherence - cross domain

Not applicable.

15.4. Coherence - internal

Not applicable.

16. Cost and Burden

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The main burden is on the national delegates providing information on national minimum wages to Eurostat.

17. Data revision

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17.1. Data revision - policy

National minimum wages in PPS are estimated (and flagged with 'e') for year Y if purchasing power parities (PPPs) are not yet available for that year. They are updated in July of year Y+1.

17.2. Data revision - practice

National minimum wages in PPS flagged with 'e' for year Y are updated in July of Y+1.

18. Statistical processing

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18.1. Source data

Data are received from national authorities such as national statistical institutes and ministries of labour and social affairs.

18.2. Frequency of data collection

Biannual

18.3. Data collection

Data are transmitted to Eurostat by national statistical institutes and ministries of labour and social affairs.

18.4. Data validation

Mainly plausibility checks; in general, the data provided by the Member States are taken at face value.

18.5. Data compilation

Data on national minimum wages are submitted to Eurostat in national currency. For the non-euro area countries, the minimum wages in their national currencies are converted into euro by applying the monthly exchange rate of the end of the previous month (e.g. the end of December 2021 rates were used for the minimum wages on 1 January 2022).

To remove the effect of differences in price levels between the countries, special conversion rates called Purchasing Power Parities (PPPs) are used. PPPs for household final consumption expenditure in each country are used to convert the monthly minimum wages expressed in national currencies (euro-fixed series for euro area countries) to an artificial common unit called the Purchasing Power Standard (PPS). As PPPs for the reference year 2022 are not yet available, the ones of the last available year were used, and the series will be updated once more recent PPPs become available.

18.6. Adjustment

The data provided by the countries are not adjusted.

19. Comment

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Additional information on national minimum wages in EU Member States is available at the <u>European Foundation for the Improvement of Living and Working Conditions</u> (<u>Eurofound</u>) (EIRO)

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Monthly minimum wage National Metadata

Monthly minimum wage as a proportion of Monthly minimum wage as a proportion of average monthly earnings (%) – Nace Rev. 2 (from 2008 onwards) – country-specific notes

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