

**WAGES AND CONTRACTS: Indicators**

INDICATOR NAME	DATA RESOURCE CHARACTERISTICS	DATA SOURCE	DATA TIME RANGE
<b>AVERAGE MONTHLY GROSS WAGE FROM EMPLOYMENT CONTRACTS</b>	<p>The average monthly gross wage from employment contracts was calculated taking into account all of the following conditions:</p> <ul style="list-style-type: none"> <li>– broken down by occupation and district (powiat),</li> <li>– based on data for insured persons who had an occupation code declared by their employer in ZUS declarations<sup>1</sup>,</li> <li>– for insured persons who worked the full month<sup>2</sup> under an employment contract or service relationship (excluding persons for whom a break in contribution payments caused by illness occurred and/or who commenced employment during the month),</li> <li>– based on data on the contribution assessment base for pension and disability insurance or health insurance,</li> <li>– all wages relating to part-time employment were converted to full-time equivalents (work-time dimensions from 0.05 to 1 were taken into account),</li> </ul>	Social Insurance Institution (ZUS)	average monthly wage in the occupation for a given half-year was calculated as the average of wages from individual months

<sup>1</sup> Employers have been required to provide an occupation code in declarations submitted to ZUS since 16 May 2021. This requirement applies to registrations of new employees hired from that date, as well as to corrections of data for employees already in employment. As Data Blender includes data broken down by occupation, persons employed before that date who have not updated their personal data will not be included in the estimate.

At the same time, data on the number of employed persons for whom an occupation code has been specified are increasing steadily – as a consequence, the database is progressively expanded with each successive edition of the survey.

<sup>2</sup> The wage analysis is based solely on data for insured persons who worked the full month. The exclusion of part-time workers results from the fact that WUP in Rzeszów obtains data from ZUS in aggregated form (at the level of occupation in a district), rather than individual-level data. Accurate inclusion of all insured persons – regardless of the duration of employment – would require access to individual-level data (so-called micro-data). Only such a form would allow for the analysis of individual variables affecting the level of remuneration, such as breaks in the performance of work. At present, due to formal and legal conditions, WUP in Rzeszów holds authorisations to obtain data solely in aggregated form, which determines the methodology adopted.

	<ul style="list-style-type: none"> <li>– data for persons who had exceeded the annual contribution assessment base for pension and disability insurance were excluded<sup>3</sup>,</li> <li>– jubilee awards, retirement and disability severance pay, and additional annual remuneration of soldiers and officers were not included.</li> </ul> <p><u>The level of the average monthly gross wage from employment contracts in a given occupation in a given district was calculated using the following formula:</u></p> $(W1 N1 + W2 N2 + \dots + WL NL) / (Z1 N1 + Z2 N2 + \dots + ZL NL)$ <p>W1 N1 - the product of the average contribution assessment base for pension and disability insurance or health insurance for a contract in occupation X in district Y (W1) and the number of insured persons (employed) under a contract in occupation X in district Y (N1)</p> <p>Z1 N1 - the product of the working-time dimension assigned to the contract in occupation X in district Y (Z1) and the number of contracts in occupation X in district Y (N1)</p>		
AVERAGE MONTHLY GROSS WAGE FROM EMPLOYMENT CONTRACTS LASTING UP TO 2 YEARS	Description as above – with reference to employment contracts lasting up to 2 years.	Social Insurance Institution (ZUS)	description as above – with reference to employment contracts lasting up to 2 years
AVERAGE MONTHLY GROSS WAGE FROM EMPLOYMENT LASTING MORE THAN 2 YEARS	Description as above – with reference to employment contracts lasting more than 2 years.	Social Insurance Institution (ZUS)	description as above – with reference to employment contracts lasting more than 2 years

<sup>3</sup> Due to the fact that the data obtained from ZUS are aggregated rather than individual-level, cases of exceedance of the annual contribution assessment base were excluded from the average wage analysis. The lack of access to micro-level data makes it impossible to reliably estimate wages for this specific group of insured persons (the explanation is analogous to that relating to persons who worked an incomplete month). This limitation – similarly to the case of an incomplete month worked – serves the purpose of data integrity. Including these persons in aggregated data could artificially lower or raise the average, because once the limit of thirty times is exceeded, contributions cease to be collected, which changes the manner in which these amounts are recorded in the ZUS system at the general level.

<p>PROPORTION OF EMPLOYMENT CONTRACTS</p>	<p>The proportion of employment contracts was calculated in relation to the total pool of all contracts/activities in the analysed period:</p> <ul style="list-style-type: none"> <li>– based on insurance title codes specifying the forms of contracts/activities<sup>4</sup>,</li> <li>– based on data for insured persons who had an occupation code declared by their employer in ZUS declarations.</li> </ul>	<p>Social Insurance Institution (ZUS)</p>	<p>as at the end of the analysed half-year</p>
<p>PROPORTION OF CIVIL-LAW CONTRACTS</p>	<p>The proportion of civil-law contracts was calculated in relation to the total pool of all contracts/activities in the analysed period:</p> <ul style="list-style-type: none"> <li>– based on insurance title codes specifying the forms of contracts/activities,</li> <li>– based on data for insured persons who had an occupation code declared by their employer in ZUS declarations.</li> </ul>	<p>Social Insurance Institution (ZUS)</p>	<p>as at the end of the analysed half-year</p>
<p>PROPORTION OF NON-AGRICULTURAL ECONOMIC ACTIVITIES</p>	<p>The proportion of non-agricultural economic activities was calculated in relation to the total pool of all contracts/activities in the analysed period:</p> <ul style="list-style-type: none"> <li>– based on insurance title codes specifying the forms of contracts/activities,</li> <li>– based on data for insured persons who had an occupation code declared by their employer in ZUS declarations.</li> </ul>	<p>Social Insurance Institution (ZUS)</p>	<p>as at the end of the analysed half-year</p>
<p>PROPORTION OF CONTRACTS/ACTIVITIES LASTING MORE THAN 2 YEARS</p>	<p>The proportion of contracts/activities lasting more than 2 years was calculated in relation to the total pool of all contracts/activities in the analysed period:</p> <ul style="list-style-type: none"> <li>– based on insurance title codes specifying the forms of contracts/activities,</li> <li>– based on data for insured persons who had an occupation code declared by their employer in ZUS declarations.</li> </ul>	<p>Social Insurance Institution (ZUS)</p>	<p>as at the end of the analysed half-year</p>

<sup>4</sup> Insurance title codes indicating the forms of contracts/activities fall within groups relating to: employment contracts, civil-law contracts, members and employees of cooperatives, uniformed and non-uniformed services, employees of the justice system, members of parliament and senators, outwork, members of supervisory boards and proxies, members of the clergy, persons working whilst serving a custodial sentence, and persons conducting non-agricultural economic activities.

KEY CONCEPTS IN THE CONTEXT OF CALCULATING THE AVERAGE MONTHLY GROSS WAGE	DEFINITIONS OF TERMS
EMPLOYMENT	any work performed on the basis of an employment relationship (established on the basis of an employment contract, appointment, nomination, or election) or a service relationship, regardless of the working-time dimension and the period for which the contract was concluded
EMPLOYED PERSONS	persons performing work on the basis of an employment relationship (established on the basis of an employment contract, appointment, nomination, or election) or a service relationship, regardless of the working-time dimension and the period for which the contract was concluded
REMUNERATION	monetary payments (or the monetary value of benefits in kind or their equivalents) by virtue of an employment relationship or service relationship for employed persons, constituting expenditure incurred by employers in payment for work performed, regardless of the sources of their financing, which are included in the contribution assessment base for pension and disability insurance or health insurance
MINIMUM MONTHLY WAGE	the minimum wage applicable in a given calendar year, determined annually by regulation of the Council of Ministers pursuant to the Act of 10 October 2002 on the minimum wage
MONTHLY WORKING-TIME DIMENSION	the working-time dimension in a given month, covering only persons who worked the full month
OCCUPATION CODE	the occupation code indicated by the employer in the declaration of the insured person (employed by that employer)
INSURED PERSON	a natural person subject to at least one of the social insurance schemes (pension, disability, sickness, accident) and/or health insurance, e.g. an employee
CONTRIBUTION PAYER	a person required to pay contributions to social insurance and other schemes on behalf of insured persons, e.g. an employer
INSURANCE TITLE	the circumstance that gives rise to insurance with ZUS  In the insurance registration it is indicated by a six-character code, which ZUS uses to distinguish between individual groups of

	<p>insured persons.</p> <p>This code is structured as follows:</p> <ul style="list-style-type: none"> <li>– the first four characters identify the primary entity along with an extension</li> <li>– the fifth character indicates whether the right to a pension or disability benefit has been established or not</li> <li>– the sixth character indicates the degree of disability</li> </ul>
WORKING-TIME DIMENSION	<p>the full or partial working time specified in the contract</p> <p>In accordance with the Principles of Coverage by Social Insurance and Health Insurance and Determination of the Contribution Assessment Base, the working-time dimension should be recorded in insurance documents in the form of a common fraction.</p>
BENEFIT OR BREAK	<p>a circumstance causing a cessation in contribution payments</p> <p>Breaks in contribution payments may be caused by: illness, unpaid leave, maternity leave, parental leave, etc., some of which are associated with the receipt of benefits, e.g. sickness benefit, maternity benefit. In ZUS settlement documents, a benefit or break is indicated by a three-character code.</p>
CONTRIBUTION ASSESSMENT BASE FOR SOCIAL INSURANCE	<p>the value constituted by income from an employment relationship and related relationships (income within the meaning of the provisions of the Act of 26 July 1991 on personal income tax), i.e. all types of monetary payments and the monetary value of benefits in kind or their equivalents (regardless of the source of their financing), and in particular basic wages, remuneration for overtime, various types of supplements, bonuses, equivalents for unused annual leave, as well as monetary benefits paid on behalf of the employee, and the value of other non-remunerated or partially remunerated benefits</p> <p>The contribution assessment base for social insurance does not include remuneration for the period of incapacity for work due to illness or isolation in connection with an infectious disease, or benefits. The annual contribution assessment base for pension and disability insurance may not exceed thirty times the projected average monthly wage in the national economy for a given calendar year. When this limit is reached, the so-called exceedance of the annual contribution assessment base for pension and disability insurance occurs. Above the limit amount, contributions to these insurance schemes are not collected.</p>
CONTRIBUTION ASSESSMENT BASE FOR HEALTH INSURANCE	<p>the amount on which the contribution to this insurance must be calculated; it is the contribution assessment base for pension and disability insurance with certain exceptions, including:</p> <ul style="list-style-type: none"> <li>– the contribution assessment base for health insurance also includes remuneration for the period of incapacity for work due to illness or isolation in connection with an infectious disease</li> <li>– this base is not limited to the amount equal to thirty times the projected average monthly wage in the national economy for a given calendar year</li> <li>– before calculating the health insurance contribution, the assessment base is reduced by the amounts of contributions to pension, disability, and sickness insurance financed by the insured person</li> </ul>