Commission Regulation (EC) No 1980/2003 of 21 October 2003 implementing Regulation (EC) No 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) as regards definitions and updated definitions (Text with EEA relevance)

COMMISSION REGULATION (EC) No 1980/2003

of 21 October 2003

implementing Regulation (EC) No 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) as regards definitions and updated definitions

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 1177/2003 of the European Parliament and of the Council of 16 June 2003 concerning Community statistics on income and living conditions (EU-SILC)[(1)], and in particular Article 15(2)(c) thereof,

Whereas:

(1) Regulation (EC) No 1177/2003 established a common framework for the systematic production of Community statistics on income and living conditions, encompassing comparable and timely cross-sectional and longitudinal data on income and on the level and composition of poverty and social exclusion at national and European Union levels.

(2) Pursuant to Article 15(2)(c) of Regulation (EC) No 1177/2003, implementing measures are necessary to harmonise definitions, in particular the operationalisation of the income definitions, the definitions on household members and former household members, and the timetable of the inclusion of the different income variables.

(3) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The definitions required by Article 15(2)(c) of Regulation (EC) No 1177/2003 on Community statistics on income and living conditions, in particular for the purpose of bringing into operation the income definitions given in Article 2(l) and (m) thereof, shall be as laid down in Annex I.

The conditions for delivering gross income data at component level as well as the timetable for inclusion of the different income components shall be as laid down in Annex II.

Changes to legislation: Commission Regulation (EC) No 1980/2003 is up to date with all changes known to be in force on or before 25 December 2020. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Article 2

The definitions given in this Regulation, with the exception of that of former household members, and the delivery of income data, shall be applied to both cross-sectional and longitudinal components of Community statistics on income and living conditions (EU-SILC).

Article 3

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

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ANNEX I

DEFINITIONS OF HOUSEHOLD MEMBERS AND FORMER HOUSEHOLD MEMBERS, PENSIONS FROM INDIVIDUAL PRIVATE PLANS, CONTRIBUTIONS TO INDIVIDUAL PRIVATE PENSION PLANS, TOTAL GROSS AND DISPOSABLE HOUSEHOLD INCOME, TOTAL DISPOSABLE HOUSEHOLD INCOME BEFORE SOCIAL TRANSFERS (EXCEPT OLD-AGE AND SURVIVORS' BENEFITS; INCLUDING OLD-AGE AND SURVIVORS' BENEFITS) AND GROSS/NET INCOME COMPONENTS

1. HOUSEHOLD MEMBERS AND FORMER HOUSEHOLD MEMBERS

1.1. Household membership[(2)]

Subject to the further and specific conditions shown below, the following persons must, if they share household expenses, be regarded as household members:

1. persons usually resident, related to other members;
2. persons usually resident, not related to other members;
3. resident boarders, lodgers, tenants;
4. visitors;
5. live-in domestic servants, au-pairs;
6. persons ususally resident, but temporarily absent from the dwelling (for reasons of holiday travel, work, education or similar);
7. children of the 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 homes or other institutions.

Further conditions for inclusion as household members are as follows:

(a) Categories 3, 4 and 5:

Such persons must currently have no private address elsewhere; or their actual or intended duration of stay must be six months or more.

(b) Category 6:

Such persons must currently have no private address elsewhere and their actual or intended duration of absence from the household must be less than six months.

Categories 7 and 8:

Irrespective of the actual or intended duration of absence, such persons must currently have no private address elsewhere, must be the partner or child of a household member and must continue to retain close ties with the household and must consider this address to be his/her main residence.

(c) Category 9:

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Such person must have clear financial ties to the household and must be actually or prospectively absent from the household for less than six months.

Shares in household expenses

Shares in household expenses include benefiting from expenses (e.g. children, persons with no income) as well as contributing to expenses. If expenses are not shared, then the person constitutes a separate household at the same address.

'Usually resident'

A person shall be considered as a usually resident member of the household if he/she spends most of his/her daily rest there, evaluated over the past six months. Persons forming new households or joining existing households shall normally be considered as members at their new location; similarly, those leaving to live elsewhere shall no longer be considered as members of the original household. The abovementioned 'past six month' criteria shall be replaced by the intention to stay for a period of six months or more at the new place of residence.

'Intention to stay for a period of six months or more'

Account has to be taken of what may be considered as 'permanent' movements in or out of households. Thus a person who has moved into a household for an indefinite period or with the intention to stay for a period of six months or more shall be considered as a household member, even though the person has not yet stayed in the household for six months, and has in fact spent a majority of that time at some other place of residence. Similarly, a person who has moved out of the household to some other place of residence with the intention of staying away for six months or more, shall no longer be considered as a member of the previous household.

'Temporarily absent in private accommodation'

If the person who is temporarily absent is in private accommodation, then whether he/she is a member of this (or the other) household depends on the length of the absence. Exceptionally, certain categories of persons with very close ties to the household may be included as members irrespective of the length of absence, provided they are not considered members of another private household.

In the application of these criteria, the intention is to minimise the risk that individuals who have two private addresses at which they might potentially be enumerated are not double-counted in the sampling frame. Similarly, the intention is to minimise the risk of some persons being excluded from membership of any household, even though in reality they belong to the private household sector.

1.2. Former household member

The term 'former household member' refers to a person who is not a current member of the household and was not recorded as a household member in that household in the previous wave, but who lived in the household for at least three months during the income reference period.

The former household members shall be included only in the EU-SILC longitudinal component.

2. GROSS INCOME COMPONENTS

2.1. Employee income

Employee income is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the income reference period.

The employee income is broken down into:

1. Gross cash or near-cash employee income (PY010G);

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2. Gross non-cash employee income (PY020G);

3. Employers' social insurance contributions (PY030G).

2.1.1. Gross cash or near-cash employee income (PY010G)

This refers to the monetary component of the compensation of employees in cash payable by an employer to an employee. It includes the value of any social contributions and income taxes payable by an employee or by the employer on behalf of the employee to social insurance schemes or tax authorities.

Gross cash or near-cash employee income includes the followings items:

— wages and salaries paid in cash for time worked or work done in main and any secondary or casual job(s),
— remuneration for time not worked (e.g. holiday payments),
— enhanced rates of pay for overtime,
— fees paid to directors of incorporated enterprises,
— piece rate payments,
— payments for fostering children,
— commissions, tips and gratuities,
— supplementary payments (e.g. 13th month payment),
— profit-sharing and bonuses paid in cash,
— additional payments based on productivity,
— allowances paid for working in remote locations (regarded as part of the conditions of the job),
— allowances for transport to or from work,
— additional payments made by employers to their employees or former employees and other eligible persons to supplement the sick, disability, maternity leave or survivors' pay entitlement from social insurance schemes, where such payments cannot be separately and clearly identified as social benefits,
— payments made by employers to an employee in lieu of wages and salaries through a social insurance scheme when unable to work through sickness, disability or maternity leave where such payment cannot be separately and clearly identified as social benefits.

It does not include:

— reimbursements made by an 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’ (PY090G)),
— allowances for purely work-related expenses such as those for travel and subsistence or for protective clothes,
— lump-sum payments at the normal retirement date (included under ‘Old age benefits’ (PY100G)),
— union strike pay.

2.1.2. Gross non-cash employee income (PY020G)

This refers to the non-monetary income components which may be provided free or at a reduced price to an employee as part of the employment package by an employer[(3)].

Gross non-cash employee income includes: