



# Metadata

## Pensions in National Accounts

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# Metadata

## 1. Contact

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## 2. Metadata update

<b>2.1 Metadata last certified</b>	29.11.2021
<b>2.2 Metadata last posted</b>	29.11.2021
<b>2.3 Metadata last update</b>	29.11.2021

## 3. Statistical presentation

## 3.1 Data description

The supplementary table on accrued-to-date pension entitlements in social insurance (pensions in National Accounts) is compiled in accordance with the European System of Accounts (ESA 2010) following the ESA2010 transmission programme (Table 29) established by the [Regulation \(EU\) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union, annexes A and B respectively](#)).

By introducing this table, ESA 2010 added enhanced reporting on pensions, covering both entitlements of pension schemes recorded in the core national accounts, and unfunded "pay-as-you-go" pension schemes managed by general government. These latter entitlements are excluded from the core national accounts and are considered as contingent liabilities. However, full coverage of all pension schemes in one table provides a complete overview of organisation of pension social insurance in a given country and enhances cross-country analysis of pension entitlements of households.

At the same time, it should be stressed that accrued-to-date pension entitlements in social insurance are not a measure of the sustainability of public finances and are not a part of government debt.

The table gives an overview of accumulation of pension entitlements by all types of social insurance pension schemes (defined contribution vs. defined benefit schemes, private vs. general government schemes, core accounts schemes vs. social security schemes) in a given period due to pension contributions, payment of pension benefits and other changes. The table also shows sensitivity analysis of accrued-to-date pension entitlements in general government pension schemes outside of core national accounts.

The data on unfunded general government pension schemes outside of core national accounts are based on actuarial calculations. Thus, the results for pension entitlements depend to a large extent on the underlying assumptions. To ensure a consistent approach and cross-country data comparability, actuarial assumptions for these schemes in ESA 2010 Table 29 are aligned with those proposed by the EPC Ageing Working group (AWG), including the discount rate to calculate present value of pension entitlements. Actuarial assumptions are regularly reviewed by the AWG in the framework of 3-yearly Ageing reports.

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Analysis shows that the discount rate is the most important parameter that affecting the resulting value of pension entitlements. Therefore, the table shows how the outcome of actuarial calculations varies based on a different choice of discount rate. Three scenarios are presented, a base case scenario with current discount rate (3% in real terms), scenario with discount rate 1 percentage point less than in base case and scenario with discount rate 1 percentage point higher than in base case.

Data are presented in millions of ISK. Eurostat also presents the data in million euro.

In line with ESA2010 Transmission programme requirements, annual data series start from 2015 and are to be transmitted on 3-yearly basis.

### 3.2 Classification system

The standard followed is the European System of Accounts 2010 and ESA 2010 data transmission programme. The main categories are the institutional sectors of pension manager, types of pension schemes, stocks and flows.

For a complete review of the classifications used, please refer to:

- [ESA 2010 Chapter 23 'Classifications'](#)
- [The European System of Accounts 2010 Transmission Programme, Table 29](#)

## 3.3 Sector coverage

Data on *pensions in social insurance* include pension schemes in which participants are obliged, or encouraged by their employers or by general government to take out pension insurance. Such pension schemes have to satisfy one or more of the following conditions:

1. Participation in the scheme is obligatory either by law or under the terms and conditions of employment of an employee or group of employees;
2. The scheme is a collective one operated for the benefit of a designated group of workers, whether employees, self-employed or non-employed, participation being restricted to members of that group;
3. An employer contributes (actual or imputed) to the scheme on behalf of an employee, whether or not the employee also contributes.

Retirement insurance taken out solely on the own initiative of the insured, independently of the employer and of government, is treated as life insurance in national accounts and is not included in the current data set.

Hence, there are two types of pension schemes in social insurance:

1. Social security pension schemes covering the entire community or large sections of the community that are imposed, controlled and financed by government units;
2. Other employment related schemes that derive from an employer-employee relationship and does not involve general government for the provision of benefits under social security provisions.

Social insurance pension schemes are classified by sectors as follows:

- S.1W – Non-general government – combines Corporations, Households and Non-profit institutions serving Households (NPISHs) as pension managers  
S.13 – General government as pension manager

The Icelandic pension system can be separated into three main pillars, social security pension scheme (Pillar I), mandatory occupational pension schemes (pillar II) and voluntary pension funds (Pillar III). The statistics on pension entitlements in national accounts takes the first two pillars into account, social security pension scheme (Pillar I) and occupational pension schemes (Pillar II).

The Icelandic social security pension scheme is funded by company payroll taxes, and provides income tested old age pension payments, generally from the age of 67. „Old age pension“ that is included in the calculations considers base pension, income and single household supplements of pensioners in accordance with the ESA 2010 national accounts framework and methodologies. Survivor’s pension and disability pension for recipients under the pension age is therefore not considered in the calculation of pension entitlements of social insurance. The method of accrued-to-date (ADL) was utilised to estimate the pension entitlements of social insurance, and its input are liabilities towards those who have gained entitlement at that point in time. This methodology does not consider any possible entitlements accumulated in the future by current right-holders in the scheme, nor of any new individuals possibly entering the scheme. It provides only a point-in-time estimate of the accumulation of entitlements at the end of the reference year. The results do not provide an indication of financial sustainability of the social insurance pension system, as it is not a funded scheme.

The other main pillar of the pension system covered is the involuntary occupational pension schemes (Pillar II), which is classified into two main categories, defined benefit funds for general government employees where the value of pension pay-outs are guaranteed by the government and defined contribution funds for non-general government employees where pension payments are dependent on valuation of invested funds. Data on pension liabilities of occupational pension funds has historically been available due to legal requirements of registered pension funds, but such an arrangement has not been for pension in social insurance.

## 3.4 Statistical concepts and definition

The concepts, definitions and classifications are based on the [European System of Accounts](#) (ESA 2010), chapter 17 "Social insurance including pensions" in particular.

ESA 2010 Supplementary table on accrued-to-date pension entitlements brings together pension schemes recorded in core national accounts as well as unfunded "pay-as-you-go" pension schemes managed by general government. The entitlements accrued by the latter are excluded from core national accounts and are considered as contingent liabilities. Such presentation of all pension schemes in one table provides complete overview of organisation of pension social insurance in a given country and enhances cross-country analysis of households' pension entitlements.

Core national accounts cover entitlements and flows of employment related pension schemes. In such schemes beneficiaries have definite claim to accrued pension entitlements, which are then recorded as assets of Households in financial accounts.

Excluded from core national accounts – unfunded "pay-as-you-go" (PAYG) schemes managed by general government. Pension contributions and benefits of such schemes are recorded in non-financial accounts, however participants do not have a definite claim to accumulated entitlements. PAYG contributions in a given period are used to finance the benefits in the same period. There is no saving element involved in such schemes. In case of shortfalls government may have powers to change the commitments not only related to future employment but also for past employment. Therefore, entitlements are not recorded for such schemes in financial accounts. Such pension entitlements are considered as contingent entitlements/liabilities. Still, it is considered useful to have an estimate of possible extent of such implicit entitlements at a given point in time for cross-country data comparison as well as for analysis of households' saving behaviour.

There are two types of pension schemes according to their nature:

- Defined contribution scheme - is a pension scheme where the benefits are defined exclusively in terms of the level of the fund built up from the contributions made over the employee's working life and the increases in value that result from the investment of such funds by the manager of the pension scheme. The entire risk of a defined contribution scheme to provide an adequate income in retirement is borne by the employee. The pension entitlements of all defined contribution pension schemes are included in the core national accounts.

- Defined benefit scheme - is a pension scheme where the benefits payable to the employee on retirement are determined by the use of a formula, either alone or in combination with a guaranteed minimum amount payable. The risk of a defined benefit scheme to provide an adequate income in retirement is borne by the employer or a unit acting on his behalf. Notional defined contribution schemes and hybrid schemes are grouped with defined benefit schemes.

The pension manager is the unit responsible for determining the terms of employment-related pension scheme and bears the ultimate responsibility for pension entitlements. The pension manager also retains a significant degree of responsibility over the long-term policy of investment in assets, including the selection of investment options and the structure of administrative providers.

Statistics on the stock and flow of pension entitlements in supplementary table 29 for Iceland are separated into following categories:

- Social security pension scheme (Almannatryggingar)
- Occupational pension funds for:
  - *General government employees (DB)*
  - *Non-general government employees (DC)*

Table 29 records stocks and flows by type of pension scheme and by sectors as follows:

F63\_LS – Pension entitlements in opening balance sheet

+ D61\_P – Net pension contributions

= D6111 – *Employers' actual pension contributions*

+ D6121 - Employers' imputed pension contributions (imputed for defined benefit schemes (core accounts) as a difference between the increase in current service entitlements and actual contributions)

+ D6131 - Households' actual pension contributions

+ D6141 - Households' pension contributions supplements (actual property income earned during the accounting period on the stock of pension entitlements or imputed increase in entitlements coming from past service for defined benefit schemes)



	<ul style="list-style-type: none"> <li>- D61SC – Pension scheme service charges</li> <li>+ D619 – Other actuarial change in pension entitlements in social security pension schemes (not recorded in core accounts)</li> <li>- D62_P – Pension benefits payable</li> <li>= D8 – Changes in pension entitlements (<math>D61\_P - D62\_P</math>)</li>   <li>+ D81 - Transfers of pension entitlements between schemes</li> <li>+ D82 – Change in entitlements due to negotiated changes in scheme structure (i.e. result of enacted pension schemes reforms)</li> <li>+ K5 – Other changes due to other changes in volume (changes in actuarial model demographic assumptions and other changes)</li> <li>+K7 - Other changes due to revaluations (holding gains and losses or changes in actuarial model assumptions on discount rate, wage and price developments)</li> <li>=F63_LE – Pension entitlements in closing balance sheet</li> </ul> <p>The transactions are recorded on an accrual basis (i.e. not on a cash basis), that is, when economic value is created, transformed or extinguished.</p>
<b>3.5 Statistical unit</b>	The elementary building block of ESA2010 statistics is the institutional unit (see ESA2010, 2.12), "an elementary economic decision-making centre characterised by uniformity of behaviour and decision-making autonomy in the exercise of its principal function". This can be a household, a corporation, a non-profit institution or a government agency.
<b>3.6 Statistical population</b>	Employment-related and unfunded government pension schemes.
<b>3.7 Reference area</b>	The area covered by the Icelandic National Accounts is the Icelandic Economic Area.
<b>3.8 Time coverage</b>	The ESA 2010 regulation requires submitting the data starting from 2015 on 3-yearly basis. Countries may transmit longer time series or transmit data annually on voluntary basis.
<b>3.9 Base period</b>	Not applicable

4. Unit of measure	
4. Unit of measure	Data are presented in millions of national currency (ISK). Eurostat also presents the data in million euro.
5. Reference period	
5. Reference period	The reference period is the calendar year.
6. Institutional mandate	
6.1 Legal acts and other agreements	<p>See <a href="#">Act no. 163/2007</a> regarding Statistics Iceland legal basis for official statistics.</p> <p>In Iceland, the preparation National Accounts statistics is based on the European System of National Accounts 2010 (ESA 2010). The legal basis of the standard is <a href="#">Regulation of the European Parliament and of the Council (EU) no. 549/2013</a> of 21 May 2013 on the European system of national and regional accounts in the European Union.</p> <p>The Regulation was incorporated into the EEA Agreement by Decision of the EEA Joint Committee No. 58/2014 of 8 April 2014. On the basis of the Regulation, Eurostat, has issued guidance and opinions on individual subjects intended to facilitate the interpretation of the standard and further guidance on its use. Eurostat also monitors compliance with existing regulations.</p> <p>Implementation of European Parliament and Council Regulation (EU) No. 549/2013 is in the hands of Statistics Iceland, which is an independent institution and centre for official statistics in Iceland.</p>
7. Confidentiality	
7.1 Confidentiality - policy	<p><a href="#">Regulation (EC) No 223/2009 on European statistics</a>, 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.</p> <p>See also Statistics Iceland <a href="#">rules on confidentiality</a>.</p>

<b>7.2 Confidentiality – data treatment</b>	Source data is stored at Statistics Iceland. Access to more detailed data than has already been published is granted on an individual basis. In these cases the main principle is to uphold the confidentiality of the data in guidance with Statistics Iceland Rules of Procedure for Treating Confidential Data – see 7.1.
<b>8. Release policy</b>	
<b>8.1 Release calendar</b>	The National Accounts are published according to Statistics Iceland advance <a href="#">release calendar</a> . The release calendar lists in advance all the statistical data and publications to be released over the year. See rules on statistical releases. Any amendment to the calendar is made as soon as it's known, and a new release date is published.
<b>8.2 Release calendar access</b>	The <a href="#">Advance release calendar</a> with scheduled releases for the forthcoming calendar year (1 January to 31 December) is published in November each year.
<b>8.3 User access</b>	All users are granted equal access to national accounts data, dissemination dates of official statistics are announced in advance and no user category is provided access to official statistics before other users. Official statistics are first published in the statistical database. All results from the national accounts are accessible through Statistics Iceland's website under the heading " <a href="#">Pension entitlements</a> ".
<b>9. Frequency of dissemination</b>	
<b>9. Frequency of dissemination</b>	Data are to be disseminated once every three years, two years after the reference period in line with the requirements of <a href="#">ESA 2010 data transmission programme</a> .
<b>10. Accessibility and clarity</b>	
<b>10.1 News release</b>	See Statistic Iceland's <a href="#">news archive</a> .
<b>10.2 Publication</b>	In addition to news releases, national accounts data may be disseminated in other publications, such as statistical papers, yearbooks, internal and external articles. Publications are available <a href="#">here</a> .

<b>10.3 On-line database</b>	<p>In order to enable easy access to national accounts data, all validated national accounts data should be made available to users by publishing them in an online database.</p> <p>Statistics Iceland uses PC-Axis for dissemination of statistical information. PC-Axis is a family of software used by statistical institutes all over the world. The programs are developed by statistical institutions with dissemination of statistical information in mind.</p> <p>Exports/downloads of statistical information are proposed in various formats such as Excel, CSV, PC-Axis.</p> <p>Access to national accounts statistics is free of charge. On-line databases are updated in connection with publications (see 8.1) at 9 in the morning of the date of publication.</p>
<b>10.4 Micro-data access</b>	<p>It is possible to apply for micro-data access though <a href="#">Statistics Iceland research service</a>.</p>
<b>10.5 Other</b>	<p>In addition to press releases and other publications (see 10.1 and 10.2), information regarding national accounts can be published on Statistics Iceland's social media; <a href="#">Facebook</a> and Twitter under "Hagstofa Íslands". Press releases published on Statistics Iceland's website are also distributed via these social media platforms (only in Icelandic).</p>
<b>10.6 Documentation on methodology</b>	<p>The general methodological framework is defined by the <a href="#">European System of Accounts (ESA 2010)</a> in chapter 17 "Social insurance including pensions" and <a href="#">Technical Compilation Guide for Pension Data in National Accounts</a>. Methodology for Iceland is outlined in standardised pension <a href="#">factsheet</a> published by Eurostat.</p>
<b>10.7 Quality documentation</b>	<p>Overall quality assessment of the national and regional accounts based on ESA 2010 is provided in the document "<a href="#">Quality report on National and Regional Accounts, 2016 data</a>" and <a href="#">Report from the Commission to the European Parliament and the Council on the application of Regulation (EU) No 549/2013</a>.</p>
<b>11. Quality management</b>	
<b>11.1 Quality assurance</b>	<p>See Statistics Iceland's <a href="#">quality policy</a>.</p>
<b>11.2 Quality assessment</b>	<p>No documents are released by Statistics Iceland regarding national accounts quality management or quality assessment.</p>

## 12. Relevance

<b>12.1 User needs</b>	Supplementary table on accrued-to-date pension entitlements in social insurance offers complete and consistent description of pension systems in social insurance from an accounting perspective. Such presentation of all pension schemes in one table enhances cross-country analysis of households' pension entitlements.
<b>12.2 User satisfaction</b>	This is a new data collection released for the first time in 2018. Data on user satisfaction is not available.
<b>12.3 Completeness</b>	The statistics are in accordance with the requirements of <a href="#">The European System of Accounts 2010 Transmission Programme</a> .

## 13. Accuracy and reliability

<b>13.1 Overall accuracy</b>	The overall accuracy is supported by ensuring numerical coherence of stock and flows by each type of pension schemes and the total domestic economy, and also by monitoring coherence across data domains. National accounts generic and pensions specific data validation rules are covered in ESA 2010 <a href="#">Handbook on data validation</a> (Chapter 11).
<b>13.2 Sampling errors</b>	Not applicable.
<b>13.3 Non-sampling errors</b>	Not applicable.

## 14. Timeliness and punctuality

<b>14.1 Timeliness</b>	According to the ESA 2010 Transmission Programme (see also section 8.1), Member States have to transmit data to Eurostat within 24 months after the end of the reference year on three yearly basis (2015 data – deadline 31.12.2017, 2018 data – deadline 31.12.2020, etc.).
<b>14.2 Punctuality</b>	The National Accounts are published according to Statistics Iceland advance release calendar. In recent times, no delay has been on the schedule of dissemination. Eurostat also monitors closely punctuality of data delivery by the countries. Statistics Iceland has met the deadlines for submission of Table 29.

## 15. Coherence and comparability

<b>15.1 Comparability – geographical</b>	<p>The geographical comparability is ensured by the application of common definitions and methodological framework established by European System of Accounts, ESA 2010, which is based on internationally agreed System of National Accounts, SNA 2008, as well as on aligned actuarial assumptions for PAYG pension system calculations across countries.</p>
<b>15.2 Comparability – over time</b>	<p>Different data collections are based on a common framework, the European System of Accounts 2010, which ensures consistent concepts and definitions over time. However, estimates are sensitive to macroeconomic assumptions such as the discount rate. When such assumptions change, different rounds of data collections may not be comparable. Since the scope of the exercise is to provide a “snapshot” image of pensions entitlements at regular intervals rather than a time series perspective, data from previous collections are not back-recalculated. Therefore, it is not appropriate to create time series from snapshot data.</p>
<b>15.3 Coherence – cross domain</b>	<p>Supplementary table on accrued-to-date pension entitlements (Table 29) has conceptual links with the following ESA 2010 TP tables:</p> <ul style="list-style-type: none"> <li>• Financial accounts by sector (Table 6) - consistency is expected with Table 6 data for changes in pension entitlements (for total of pension schemes recorded in core accounts).</li> <li>• Balance Sheets for financial assets and liabilities (Stocks of financial instruments, consolidated and non-consolidated, and counterpart information, Table 7) - consistency is expected with Table 7 non-consolidated pension entitlements (for total of pension schemes recorded in core accounts).</li> <li>• Non-financial accounts by sector, annual (Table 8) - consistency is expected with adjustment for changes in pension entitlements (for total of pension schemes recorded in core accounts). Social contributions and benefits of private sectors in Table 8 should be equal or higher than total of those of Table 29 (as Table 8 may cover also non-pension contributions).</li> <li>• Detailed tax and social contribution receipts by type of tax or social contribution and Receiving subsector including the list of taxes and social contributions according to national classification (Table 9) – consistency is expected with Table 9 data on employers' and households' actual pension contributions to general government sector schemes (if provided in Table 9 on voluntary basis).</li> </ul> <p>However, discrepancies with mentioned data sets are possible due to older differences, data sources and methodological differences.</p>

<b>15.4 Coherence – internal</b>	Supplementary table on accrued-to-date pension entitlements is internally consistent. Total and sub-components, stock and flows for each pension scheme add up to provide a coherent set of data for the total domestic economy.
<b>16. Cost and burden</b>	
<b>16. Cost and burden</b>	Not available.
<b>17. Data revision</b>	
<b>17.1 Data revision - policy</b>	<p>Statistics Iceland follows a common <a href="#">harmonised European revision policy</a> (HERP) for national accounts statistics. This policy includes differentiated guidelines regarding the timing and depth of revisions of quarterly and annual data. It aims to improve adherence to the twofold principle of alignment between statistical domains at national level and coordinated alignment across countries at EU level. The policy provides guidelines for both 'routine' revisions and 'major' or 'benchmark' revisions.</p> <p>See also Statistics Iceland <a href="#">revision policy</a>.</p>
<b>17.2 Data revision - practice</b>	<p>National revision practices of sector accounts data should follow the <a href="#">harmonised revision policy for the national accounts and balance of payments statistics</a>.</p> <p><u>Routine revisions for annual data</u> Annual estimates are usually revised retrospectively for up to four years to incorporate annual data sources.</p> <p><u>Major or benchmark revisions</u> In 2014, all Member States disseminated revised data according to ESA 2010, and most Member States disseminated the results of the benchmark revisions in 2019/2020. It is expected that all ESS countries will undertake the subsequent benchmark revision in 2024. Disseminating the results of a benchmark revision always involves revising all, or at least a large part of the time series.</p>
<b>18. Statistical processing</b>	

<b>18.1 Source data</b>	<p>Data is sourced from following:</p> <ul style="list-style-type: none"> <li>• Annual accounts of pension funds, gathered by the Financial Supervisory Authority (FME).</li> <li>• Data on pension payments from the Icelandic Social Insurance Administration.</li> <li>• Actuarial information provided by the Association of actuaries in Iceland.</li> <li>• Demographic statistics from Statistics Iceland.</li> </ul>
<b>18.2 Frequency of data collection</b>	Every three years, in accordance with the ESA 2010 transmission programme.
<b>18.3 Data collection</b>	<p>The data collection process occurs through several transmission protocols:</p> <ul style="list-style-type: none"> <li>• Statistic's Iceland Online Data Collection Portal</li> <li>• Database mirroring between institutions</li> <li>• Cloud services</li> <li>• Email</li> </ul> <p>The transmission protocols vary between source data and intra data, external sources and internal sources.</p>
<b>18.4 Data validation</b>	<p>In addition to the quality and verification tests performed on the data received and used in the compilation of national accounts, data and results are validated throughout and in all areas of the compilation process. Among other things, it is done to ensure internal consistency in the results and minimise the risk of errors. In some cases, data validation is done by using corresponding time series (criterion variables) to capture possible deviations or signs of items that need further examination.</p> <p>Data inputs are also checked by Eurostat for accuracy and completeness. National accounts validation system is described in ESA 2010 <a href="#">Handbook on data validation</a>. Validation is supported by the national metadata provided in <a href="#">pension factsheet</a>.</p>
<b>18.5 Data compilation</b>	More detailed description of calculation methods is provided in the <a href="#">pension factsheet</a> for Iceland.
<b>18.6 Adjustment</b>	Not applicable





## Metadata

19. Comment

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