

Labour force – register data

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2. Metadata update

2.3 Metadata last update	25 February 2021
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3. Statistical presentation



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3.1 Data description

Register-based labour force is a count of individuals from monthly pay as you earn (PAYE) – and population data. Pay as you earn data is obtained from the Commissioner of the Inland Revenue settlement of cash payment of wages and/or calculated remuneration according to laws of cash payment nr. 45/1897. The settlement is enriched with additional information so the data can be used for official statistics, for example, to be able to distinguish wage payments from other payments. Population data is obtained from the population register from Registers Iceland.

The population consists of all individuals in monthly tax documents. Employed individuals are those who had taxable income which corresponds to one hour per week. Included are those who were absent from work due to maternity or paternity leave and returned calculated remuneration in the reference period.

Statistics about register-based labour force are **temporary figures** which can change over time as the quality of the raw data is better for later years. Statistics Iceland has focused on ensuring good quality of the data as from 2008. The quality of data before 2008 is worse.

3.2 Classification system

Counts of employed individuals according to register data are classified by gender, background, lawful domicile and age groups. Additional tables have figures classified by economic activity, educational level, legal form and municipalities.

Gender is divided into men and women.

Background is divided into immigrants and Icelandic background. A person who is born abroad and has parents who were also born abroad, as well as both his grandparents, is considered an immigrant according to Statistics Iceland methods. Others are considered to have some Icelandic background.

Lawful domicile is divided into Icelandic domicile or not. One's lawful domicile is the place where the individual has permanent residency. Anyone staying or planning to stay in Iceland for six months or longer shall have a lawful domicile in Iceland according to Act nr. 21/1990 (<https://www.althingi.is/lagas/nuna/1990021.html>). Anyone staying or planning to stay in the country for work in three months or longer may still have permanent residence in Iceland.

Three types of **age groups** are applied:

1. Five-year age range: Younger than 15 years, 15 to 19 years, 20-24 years, 25-29 years, 30-34 years, 35-39 years, 40-44 years, 45-49 years, 50-54 years, 55-59 years, 60-64 years, 65-69 years and 70 years and older.
2. 16 to 24 years, 25-54 years and 55-74 years.
3. 16 to 74 years and 25 to 64 years.

Education is sorted according to the Icelandic classification system [\[smennt2011\]](#):

1. Primary school education or less.
2. Literature at a secondary- and additional level.
3. Internship at a secondary- and additional level.
4. Education at a secondary- and additional level; further information missing.
5. College education.

Legal form is the Commissioners of the Inland Revenue classification system for associations in business activities. More information can be found here: <https://www.rsk.is/fyrirtaekjaskra/stofnun-felaga-i-atvinnurekstri/>. It should be noted that founders of associations choose a legal form. Legal forms can be changed, so changes between months can be caused by changes in registration rather than changes in the labour market. It should also be noted that both the government and municipalities can set up and own a business that is registered as a legal form that is typically associated with the private sector.

Economic activities are classified according to the Icelandic economic activity classification, [\[SAT2008\]](#).



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When classifying **primary- and secondary occupation** the highest monthly income for an individual is considered to refer to a primary job. Other income is counted as secondary occupations and are not included in certain web-tables. When counting secondary occupations, only one source of income per ISAT activity is used. That is, each individual is only counted once for each ISAT activity he worked in, in each month.



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3.3 Sector coverage

The pay as you earn data covers all economic activities in the Icelandic labour market. The Commissioner of the Inland Revenue's website states that all payers under the Public Sector Withholding Act, i.e. those who make or calculate payments which are salary, are obligated to hold the withholding fees from employee salaries and other withholding payments and of calculated remuneration for their work on the business. See more: <https://www.rsk.is/atvinnurekstur/stadgreidsla-og-reiknad-endurgjald/>

3.4 Statistical concepts and definition

Number of employed according to register data, i.e. those with any income from employment accounted for in the Icelandic tax authority settlement of withholding taxes, including those on maternity leave from work and those with calculated remuneration, during the period covered by the data.

3.5 Statistical unit

Employed individuals, that is, those who have income from employment who are withholding taxes, including maternity income and calculated remuneration. If a person is deceased, they are not included in the population as of the months of death, even though they have been paid after passing away. Individuals who fail to reach minimum wage are not counted. Minimum wage corresponds to approximately one hour per week, calculated according to rounding of minimum hourly wages. The table below shows minimum wage assuming one hour a week for each year in the period.

Minimum wage insurance

Year	Minimum wage insurance per month	Minimum wage per hour	Hourly wage x 4.333 *
2008	145.000	906	3.926
2009	157.000	981	4.251
2010	165.000	1.031	4.468
2011	182.000	1.137	4.927
2012	193.000	1.206	5.226
2013	204.000	1.275	5.525
2014	214.000	1.337	5.794
2015	245.000	1.531	6.634
2016	260.000	1.625	7.042
2017	280.000	1.750	7.583
2018	300.000	1.875	8.125
2019	317.000	1.981	8.584
2020	335.000	2.093	9.071
2021	351.000	2.194	9.506
2022	368.000	2.300	9.966

3.6 Statistical population	<p>The population consists of those who are paid taxable income, including maternity income and calculated remuneration. Enterprises that are considered payers under the Public Sector Withholding Act, i.e. those who pay or calculate payments deemed to be salaries, are obligated to withhold public sector fees from employee salaries and other withholding payments and of calculated remuneration for their own work on the business. Payers must submit information to the Icelandic tax authority on withholding and public fees. Payers of withholding fees for employees who are hired on the basis of a contract for rented workforce count as payers if the workforce agency has a non-tax resident in Iceland. Workforce agencies that has residency in another state within the European Economic Area, another EFTA-state or in Faroe Island are considered employers unless other settlement has been made with user companies. A user company is responsible as an employer if the employee rent has not properly submitted a cash payment. See more: https://www.rsk.is/atvinnurekstur/stadgreidsla-og-reiknad-endurgjald/ and in Act 45/187 on withholding public fees: https://skattalagasafn.rsk.is/?log=45.1987.0</p>
3.8 Reference area	Iceland
3.9 Time coverage	2008-2022
3.10 Base period	NA
4. Unit of measure	
4. Unit of measure	Number of individuals (counts)
5. Reference period	
5. Reference period	<p>Statistics are published by months, quarters and years. Figures for quarters and years are calculated using averages from monthly figures. Averages are expressed in whole numbers, so totals of subgroups may give higher number than the total figures given in the data. For example, there is a difference between the total numbers of employed persons in all activities and the total number of individuals when each activity is summed up.</p>

6. Institutional mandate	
6.1 Legal acts and other agreements	Law nr. 163/2007 on Statistics Iceland and official statistics
7. Confidentiality	
7.1 Confidentiality - policy	See Statistics Iceland's rules of procedure for treating confidential data .
7.2 Confidentiality – data treatment	In cases where counts in table cells are less than 5, the value is hidden. This way, privacy of individuals is ensured.
8. Release policy	
8.1 Release calendar	Publications are announced and placed on the release calendar, two weeks before the scheduled publication date, following Statistics Iceland rules of publications.
8.2 Release calendar access	The release calendar is available on Statistics Iceland website: https://statice.is/publications/news-archive/advance-release-calendar/
8.3 User access	The tables are available for users on Statistics Iceland website: https://statice.is/statistics/society/labour-market/abour-force-register-data/
9. Frequency of dissemination	
9. Frequency of dissemination	Tables are updated monthly.
10. Accessibility and clarity	
10.1 News release	Short news releases are published with updates of figures monthly. More detailed news releases are published when applicable.

10.2 Publication	It's not intended to publish any statistical reports.
10.3 On-line database	Statistics are published monthly with updates of tables on Statistics Iceland website.
10.4 Micro-data access	It is possible to apply for micro-data access though Statistics Iceland research service .
10.5 Other	
10.6 Documentation on methodology	Documentation on methodology of the statistics are not available.
10.7 Quality documentation	Documentation on quality of the statistics are not available.
11. Quality management	
11.1 Quality assurance	See main principles on production of statistics: https://www.stjornartidindi.is/Advert.aspx?RecordID=0c8d9584-87fd-4934-b8c6-8d9ec40ee881
11.2 Quality assessment	In general, the data meets main principles 11-15 on the production of statistics. The statistics are intended to meet user needs (main principle 11) of increased coverage in figures of the number of employed in the Icelandic labour market beyond what has so far been possible with figures from Statistics Iceland labour force survey. The figures are very accurate (main principle 12) as there is little to no uncertainty in the data, for example, there is no sampling error which makes it possible to make conclusions on the basis of small groups in the dataset with great accuracy. The timeliness of the data is acceptable (main principle 12) as figures can be released as early as two to three months after the reference month. The consistency of the data is good but comparability (main principle 14) is lacking as the data is not based on international standards or definitions. Main principle 15 on accessibility and clarity of the data is met, as figures are presented clearly in tables on Statistics Iceland website, where users have access to them, free of charge.
12. Relevance	
12.1 User needs	Main users are social partners, ministries, institutions, media and the public.

12.2 User satisfaction	User satisfaction information is unavailable.
12.3 Completeness	The statistics are intended to respond to the demand for counts of the number of employed people by background and whether the person is resident in Iceland or abroad, amongst other variables like gender and age.
13. Accuracy and reliability	
13.1 Overall accuracy	The accuracy is based on information received from the employer to the Icelandic tax authority. The accuracy of the counts can be affected when payers of withholding income do not return settlements to the Icelandic tax authority within the time limit. According to Act 45/1987 on the withholding of public fees, payers and individuals with calculated remuneration shall make a withholding tax each month and pay the claim by the end of the fifteenth of the next month. Cash-liable payments for payroll payments and calculated remuneration are marked separately. Non-tax employment is not assessed.
13.2 Sampling errors	Does not apply.
13.3 Non-sampling errors	Does not apply.
14. Timeliness and punctuality	
14.1 Timeliness	New figures are published as soon as possible, most often two months after the reference month ends.
14.2 Punctuality	
15. Coherence and comparability	
15.1 Comparability – geographical	Internal consistency is present in the counts between regions of Iceland so numbers from different municipalities can be compared. The figures are based on Icelandic administrative data which may not exist in other countries so comparison between countries is not possible.



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15.2 Comparability – over time

Same definitions and concepts are applied over the entire period of data, making comparisons between different periods possible.

15.3 Coherence – cross domain

Other publications published by Statistics Iceland worth comparing to register based employment are figures from national accounts about employment and labour productivity. Those figures are largely made from the same data sources as register based employment but with greater emphasis on the use of models in assessing various sizes. National accounts publish figures about jobs and therefore those counts are not necessarily the same as those in register-based employment.

15.4 Coherence – internal

It's close-at-hand to compare register-based labour force with figures from the Icelandic labour force survey (IS-LFS). There are some differences between the two databases that is important to consider when comparing the two.

1. The IS-LFS is a sampling survey whereas register based employment is based on register-based data.
2. The IS-LFS is based on international definitions of the International Labour Organization (ILO) and The Statistical Office of the European communities (Eurostat). Whereas register based employment is based on Icelandic tax laws. The definition of what is considered to be employed is therefore not the same, for example those counted from the register-based dataset are only those who pay a cash payment from their salary.
3. In the IS-LFS unemployed are those who had no work in the reference week of the survey, that is, did not work for one hour or more as a worker or self-employed, are looking for a job and can start work within two weeks – or have an offer for job that starts within three months. Individuals who are not working but are in school are classified as unemployed if they fulfill the meet the above criteria. In register-based labour force individuals must meet registration criteria of unemployment at any given time to count as unemployed. See Act no. 134/2009.
4. According to the definition from register based labour force, people can be partially unemployed, but not by IS-LFS definition. This means that employed persons can be paid both unemployment benefits and salary in the register-based labour force figures. 2
5. All figures from the IS-LFS are weighted with response probability weights by gender, age, origin, educational status and monthly labour market status based on register data. The figures from register-based labour force are not weighted.
6. In the IS-LFS employed persons are those who worked for one hour or more during the reference week or were absent from the job they normally do. In register-based labour force, employed are those who have taxable income, including maternity leave payment and calculated remuneration.

16. Cost and burden

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Does not apply

17. Data revision

17.1 Data revision - policy	See Statistics Iceland revision policy .
17.2 Data revision -practice	
18. Statistical processing	
18.1 Source data	<p>Register-based labour force build on information from monthly pay as you earn (PAYE) data from the Commissioner of the Inland Revenue settlement of wages and/or calculated remuneration according to laws of cash payment nr. 45/1987. The data is enriched with additional information so that it can be used for statistical reporting.</p> <p>The population data is obtained from the population register from Registers Iceland.</p>
18.2 Frequency of data collection	Monthly
18.3 Data collection	The data is retrieved from the Icelandic tax authority through a secure web portal.
18.4 Data validation	Monthly, or around the 20 th of each month, the data goes through standard quality testing and is made ready for statistical reporting. The data is verified by comparing new data with older periods and other data sets.



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18.5 Data compilation

Unchanged register data can not be used for statistical reporting. Therefore, Statistics Iceland has built an extensive processing system to adjust the data. For example, the type of payment is added in the processing stage. The emphasis is on dividing payments into salary payments and other payments, but other payments are classified in detail, for example to maternity pay, union grants, pension fund payments, pension payments, social security benefits and unemployment benefits. The most challenging part is to split up payments for cases where the employer pays both salaries and other payments, as is common for example for municipalities, pension funds and unions. Annually, the data is run against individual tax returns and statements of earnings files to verify that payments have been split correctly. This most often shows that the payments have been split correctly and the processing system works well.

The data is collected from the data tables and grouped according to different background variables. The results are not weighted or imputed, no methods are used to correct for missing data and no models are used.

18.6 Adjustment

No adjustments are made to the data.

19. Comment

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At the beginning of 2021, the following changes were made to the tourism industry:

The classification of operators whose main activities are the operation of spas and hot springs has been coordinated and those companies are now all classified into activity 96.04.0 with massage parlors, sunbath salons, saunas, etc. At the same time, changes were made to the tourism industries for publication in Iceland. Publications on statistics about the tourism industry have followed the European Union's (Eurostat) classification before now. However, certain industries in Iceland that base their income almost exclusively on tourism fall outside Eurostat's definition. In the future, statistics on the tourism industry in Iceland will also include industries 52.23.0 – Service activities related to transportation by air and 96.04.0 – Massage parlors, sunbath salons, saunas, etc. The following industries according to the Icelandic activity classification ÍSAT2008 are classified as branches of the tourism industry in Iceland:

- H49.1 – Passenger transport by rail between cities
- H49.32 – Operation of taxi vehicles
- H49.39 – Other transportation on land
- H50.1 – International and coastal cruises with passengers
- H50.3 – Passenger transport by a navigable waterway
- H51.1 – Passenger transport by air
- H52.23 – Service activities related to transportation by air
- I55.1 – Hotels and pensions
- I55.2 – Vacation resorts and other accommodations
- I55.3 – Campsites, RV, and caravan areas
- I56.1 – Restaurants
- I56.3 – Pubs, cafes, and dance venues, etc.
- N77.1 – Motor vehicle rental
- N77.21 – Leisure and sporting goods rental
- N79 – Travel agencies, travel planners, and other booking services
- S96.04 – Massage parlors, sunbath salons, saunas, etc.