



Schweizerische Eidgenossenschaft
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Federal Department of Home Affairs FDHA
Swiss Federal Statistical Office FSO

Encyclopedia of Switzerland

3 Employment and income

Swiss wage index

Methodological foundations (2015=100)

Information:

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Methodology: concept and definition

A Laspeyres price index

The Laspeyres price index measures wage trends that only reflect the cost of labour. Changes in the composition of the workforce (such as persons moving from one job to another as a result of promotion or persons leaving or joining an enterprise) cannot affect the path of the index. The structure of employees is fixed at a chosen base year. The index measures how earnings in the latest year compare with those for the last base year when the index took the value of 100.

Data collection

The statistic on gross salary index is based on administrative data provided by the national accident insurance : Service de Centralisation des Statistiques de l'Assurance-Accidents (SSAA-SSUV) The earnings information collected on the SSAA-SSUV forms relates to employees gross remuneration before any deductions are made for taxes and social contributions. On top of gross pay, the earnings include the 13th month wage and additional payment for inflation compensation. Are excluded all payments in kind, overtime, profit related pay and bonuses.

Number of records: About 250,000 records are collected each year.

Reference period and frequency:

The earnings information collected relates to the accident date. Yearly, monthly and hourly wages are those declared by the insured person and earned on the day of the accident.

Method

! Aggregation formula: The indices are calculated according to the Laspeyres formula.

! Aggregation structure: Aggregation is available for the breakdown by NACE two-digit numbers (economic branches or groups of branches) and by sex.

!

$$SWI = \sum_{i=1}^n \left[ASR * \left(\frac{p_i^o * q_i^0}{\sum_{i=1}^n p_i^o * q_i^0} \right) \right] !$$

!

!

! Computation of lowest level indices (Average Salary Ratio / ASR): An elementary index is calculated for each group of workers (as described above) using the method of the ratio between the current year and the base year of the average salary of the group i.

!

$$ASR_i = \frac{p_i^t}{p_i^0} = \frac{\frac{1}{m} * \sum_{j=1}^m p_j^t}{\frac{1}{k} * \sum_{j=1}^k p_j^0}$$

!

with

i = group of salaries , i=1 à n

j = person in group, j=1 à m at current period t and
j=1 à k at base period 0

pj0 = wage or salary of the person j at base year o

pjt = wage or salary of the person j at current period t

pi0 = average salary of the group i at base year o

pit = average salary of the group i at current period t

qi0 = Number of persons in group i at base year o

Nature and sources of weights:

The variable “Wages” (gross wage +13th salary + inflation compensation, excluding all payment in kind and bonuses) is used for weighting. The workers are grouped according to two variables which are: economic branches (NACE08-Rev2) and sex.

Each of these groups are given a proper weight according to the number of employees per group in 2014 (Source :Earnings survey 2014) combined to the average salary of the group in 2015 (Source: SSAA the national accident insurance). These weights are held constant through a certain number of years until a revision is conducted.

!

$$\left(\frac{p_i^0 * q_i^0}{\sum_{i=1}^n p_i^0 * q_i^0} \right)$$

!

with

i = group of salaries , i=1 à n

pi0 = average salary of the group i at base year o

qi0 = Number of persons in group i at base year o

Salary definition :

The data include gross remuneration before any deductions are made for taxes and social contributions. Data also includes the cost-of-living allowances and the 13th salary. The wage indices do not include "wages in kind" nor irregular payments such as bonuses, overtime payment nor allowances such as family allowances.

Scope of the data :

- !Geographical coverage: The geographical area covered is Switzerland.
- !Industrial coverage: All branches of economic activity in sectors 2 and 3.
- !Coverage of workers: full-time and part-time adults (age 19 to 65 for men and age 19 to 64 for women).
- !Topical coverage: Indices are produced for the whole economy, for economic sectors (sectors 2 and 3), and by sex. The data are broken down by economic branches (NACE08; 2nd digit) or groups of branches. Rates of growth are also produced between the current year and the year earlier.

Periodicity

Annual

Four months after the end of the reference year.

All results are released on the same day as announced by the agenda:

<http://www.bfs.admin.ch/bfs/portal/fr/index/themen/03/01/rel.html>

An estimation of the annual figure for the whole economy is released two months after the end of the first three quarters.

Linking of reweighted index to historical index

A time series broken down by economic branches according to NOGA02 is available from 1994 to 2010 (Base 1993=100).

A time series broken down by economic branches according to NACE08 is available since 2011 (Base 2010=100).

A time series broken down by economic branches according to NACE08 is available since 2016 (Base 2015=100).

A longer run time series is also available back to 1942 (Base 1939=100) for the whole economy.

Revision policy:

Next revision will be implemented in 2020.

The new index based on the same methodology (Laspeyres index) will take into account the latest structure of employment that is the weighting will be updated.