

Measuring and Analyzing Social Security Gaps in South Africa

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Measuring social security coverage gaps: towards national systems of social security statistics¹ K. Hagemejer, F. Bonnet, L. Frota²

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¹ Disclaimer: This paper does not express the official view of the ILO.

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1 Introduction

The 100th Session of the ILC, June 2011 concluded that “closing coverage gaps is of highest priority for equitable economic growth, social cohesion and Decent Work for all women and men”. It recommended that national social protection strategies should aim at achieving universal coverage of the population through a two dimension approach: 1) the rapid implementation of national social protection floors containing basic social security guarantees that ensure that over the life cycle all in need can afford and have access to essential health care and minimum income security at least at a national defined minimum level (horizontal extension), and 2) the provision of at least minimum levels of protection guided by up to date ILO social security standards allowing to reach progressively higher levels of benefits (vertical extension). Social Protection floor basic provisions could include the following:

- a) All persons ordinarily resident in the country have the necessary financial protection to access a nationally defined set of essential health care services including maternal care
- b) All children enjoy income security, at least at a nationally defined minimum level, through family/child benefits in cash or in kind aimed at facilitating access to nutrition, education and care
- c) All persons in active age groups ordinarily resident in the country who are unable to earn sufficient income enjoy minimum income security through social assistance, maternity benefits, disability benefits, other social transfers in cash or in kind or public employment programs
- d) All persons in old age ordinarily resident in the country, enjoy income security, at least at a nationally defined minimum level through benefits in cash or in kind

For developing effective and efficient policies aimed at the extension of social security, it is crucial to measure the gaps in social security coverage and to have an accurate base line for the assessment of such gap levels. However, measuring coverage is constrained by data limitations, conceptual and methodological challenges.

2 Development of a national system of social security statistics

The monitoring of the performance of comprehensive social security schemes as well as the monitoring of social security extension requires significant investments of public resources in statistical reporting systems. Guidelines on social security statistics are included in the resolution concerning the development of social security statistics adopted by the 9th International Conference of Labour Statisticians in 1957. This resolution states that each country should encourage the

development of a system of social security statistics adequate to serve the following major objectives:

- a) To provide basic data for the administrative control of social security schemes and the appraisal of their operational efficiency;
- b) To provide a basis for the appraisal of the financial structure of the schemes, for actuarial valuations and for short term and long term forecasts
- c) To provide a means of appraising the social security system as an instrument of social policy and, in particular to provide a basis for the evaluation of the level of social security protection afforded to the various population groups
- d) To provide general information on social security
- e) To supply data for international comparisons in the field of social security
- f) To supply data from administrative and accounting records to satisfy important outside needs in the fields of labour, economy health demographic and other statistics.

Unfortunately more than half a century after the abovementioned resolution was adopted, only a minority of countries of the EU and OECD have sufficient statistical systems to enable them to monitor and to evaluate the effectiveness and efficiency of their national social security systems.

3 General indicators of Social security Coverage Gaps: Coverage concepts and measurements

Measuring social security coverage is not straightforward and a number of issues have to be taken into account. Social security coverage can be directly measured only separately for each of the specific branches such as health care, old age or unemployment; or even for a group of specific schemes within each branch. Aggregate coverage measures such as the ADB Social Protection Index can be built only by aggregating the separate coverage indicators for all social security branches and the various dimensions of coverage. The ILO policy in this regard is to avoid indexes which lead to an inevitable ranking of countries, whilst losing sight of the contextual differences which might be essential for effective policy making.

In each category of social security benefits, coverage is a multidimensional concept with at least three elements:

- 1) **Scope.** This is measured by the range (number) and type of social security branches to which the population of the country has access. Population groups with differing status in the labour market may enjoy different scopes of coverage, and this factor must be taken into account in assessing scope Figure 1 show the overall worldwide picture for this indicator and country examples are presented in table 2).
- 2) **Extent.** This usually refers to the percentage of persons covered (by gender, age, labour market status) within the whole population or the target group, by social security measures in each specific branch.
- 3) **Level.** This refers to the adequacy of coverage by a specific branch of social security: for example, it can be measured by the level of cash benefits provided, where measurements of

benefit levels can be either absolute or relative to selected benchmark values such as previous incomes, average incomes, the poverty line, and so on. In social health protection it may measure the amount of health-care costs covered by existing financial protection mechanisms. The level of coverage can also be measured by the quality of services provided. Specific aspects of coverage in social health protection also relate to issues such as availability of services and drugs, taking into account the physical existence of health-care facilities, health work force, equipment and so on.

In measuring all the above three dimensions of coverage a distinction is made between **statutory coverage** (or legal coverage) and **effective coverage**.

- A population group can be identified as *legally covered* if there are existing legal provisions that such a group should be covered by social insurance for a given branch of social security, or will be entitled to specified benefits under certain circumstances – for instance, to an old-age state pension on reaching the age of 65, or to income support if income falls below a specified threshold, or to national health services when sick.
- On the other hand, *effective coverage* is measured, for example, by the number of people actually contributing to social insurance in a given branch, or the number of beneficiaries of any pension benefits among all residents over 65 years of age, or the number of beneficiaries of some kind of income support among all those unemployed or all below the poverty line. Effective coverage is usually different from legal coverage, and oft en lower, largely due to various governance problems in implementing the legal provisions and also to gaps in funding, for instance, in social health protection.

Table 1 Social security coverage measures and indicators

Indicator	Statutory / Legal	Effective
Scope Is measured here by the range (number) and type of social security branches to which the population of the country has access.	Estimates of the scope of legal coverage usually measure the number of branches of social security by which – according to existing legislation – a population or its specific groups is covered. The list of the nine branches covered by ILO Convention No. 102 may be used as a comparator. See figure 1 and figure 2 , a country illustration in table 2	Reveals the number of social security branches for which there is relevant legislation that is <u>actually enforced</u> : that is, whether in branches where the population legally covered is also effectively covered (as measured by people accessing the benefit, i.e. by effective coverage as presented below).
Extent of coverage Refers to the percentage of persons covered within the whole population or the target group, by social security measures in each specific branch.	Estimates of the extent of legal coverage use both information on the groups covered by statutory schemes for a given branch in national legislation, and available statistical information quantifying the number of persons concerned at the national level. The legal extent of coverage rate for a given branch of social security is the ratio between the estimated number of people statutory	Effective extent of coverage measurements should tell us: a) the actual number of protected persons as a percentage of those expected to be protected according to the legislation or as a percentage of the target population; or b) the number of those who actually receive benefits as compared to the size of the target group (the percentage of

Indicator	Statutory / Legal	Effective
	covered and – as appropriate – the working age, the economically active or the employed population <i>See in table 2 and regional estimates in table 3 and table 4.</i>	unemployed receiving benefits, percentage of elderly persons receiving pensions, percentage of the poor receiving social assistance benefit, and so on). See Tables 4, 5 & 6.
Level : Adequacy of benefits provided Refers to the level of benefits by a specific branch of social security: for example, it can be measured by the level of cash benefits provided - either absolute or relative to selected benchmark values such as previous incomes, average incomes, the poverty line...	is usually measured (for cash benefits) by <u>benefit ratios</u> or <u>replacement ratios</u> calculated for specified categories of beneficiaries, using benefit formulas or benefit amounts specified in the legislation. For example, Convention No. 102 sets minimum replacement rates for cash benefits in seven of its nine branches. <i>See Table 7</i>	Would identify levels of benefits (usually related to certain benchmark amounts) actually received by or being paid to beneficiaries compared to average earnings or to the minimum wage or the poverty line. <i>In the case of contributory pension schemes, the effective level of coverage may also relate to future benefit levels.</i> <i>See table 6, figures 6 and 7</i>

4 Illustration from Zambia and worldwide overview

Illustration of the above measures are provided here through the example of Zambia followed by a more general overview with a set of social security coverage indicators available for most countries.

4.1 Statutory coverage indicators

4.1.1 Illustration from Zambia

From a statutory perspective, Zambia has a rather low level of statutory social security provision in terms of number of social security branches translated into the legislation and implemented provided benefits. The benefits provided by existing schemes cover four of the eight risks or contingencies under study: old age, survivors and disability benefits and employment injury. In addition, employers are obliged by the Employment Act to provide paid maternity leave and paid salary in case of sickness up to a certain maximum number of days during the year.

In Zambia, employees and their employers in the public and the private sectors are obliged to contribute to social security pension funds (administered by NPS, PSPF and LASF) but – as we will see – this obligation is not effectively enforced to cover all employees. According to data available from the 2008 labour force survey this first group mandatory covered for old age, disability and survivors benefits represent 15 percent of the economically active population aged 15 to 55 years old (55 being the legal retirement age in Zambia).

In addition, voluntary coverage is possible, according to the law (but usually not used in practice) for self-employed persons and some categories of informal-sector workers who were previously covered for at least 60 months. A rough estimate of this second group of voluntary covered results in an additional 29 percent of the economically active (15-55 years old) legally covered on a voluntary basis and a total statutory coverage for old age, survivors and disability benefits of 45 percent.

A similar process of quantification — based primarily on administrative data and complemented when with household survey data — has been applied for most social security branches for near 200 countries. Table 3 below summarizes the results for Zambia, figures 1 and 2 provides an overview of the scope of statutory coverage and table 3 some global estimates of the extent of statutory coverage for employment injury around the World.

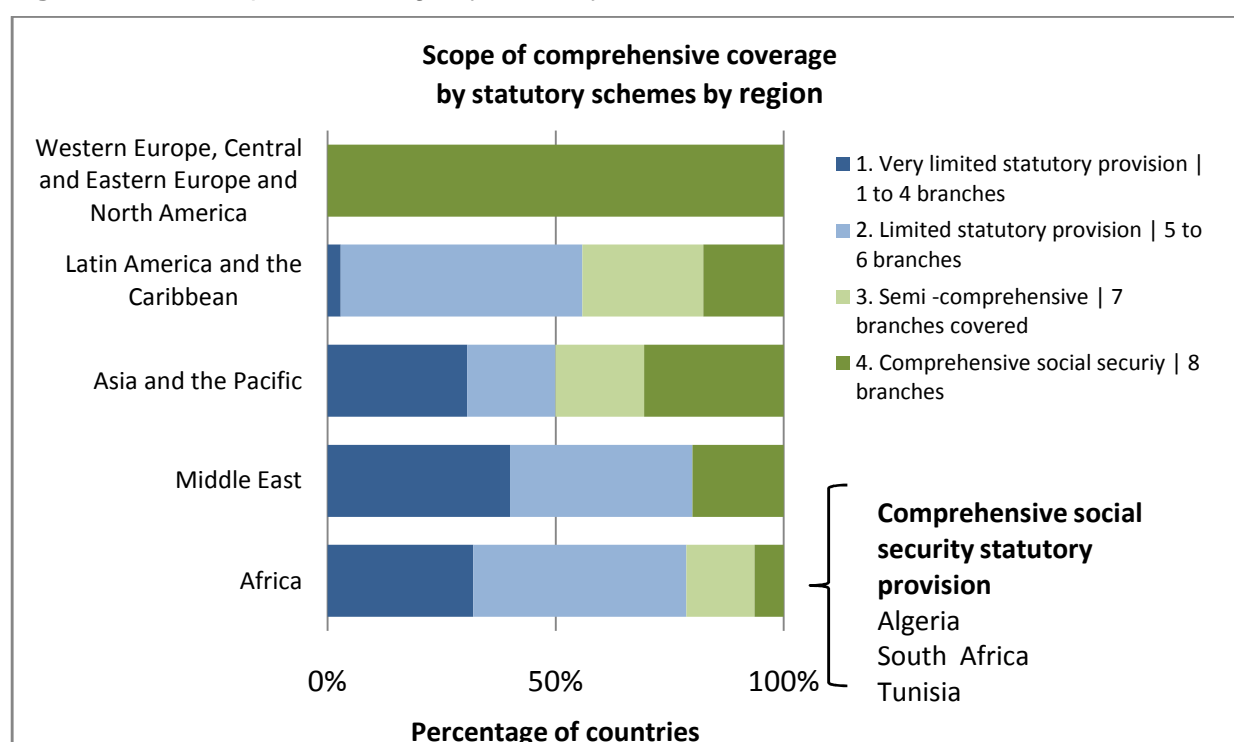
Table 2 Summary of results for statutory coverage indicators in Zambia

1 Statutory coverage		
1.1	Scope of statutory coverage	4 branches out of 8 social security branches with statutory provision: Very limited statutory provision 1 to 4 branches
1.2	Statutory extent coverage	
	Old age, disability, survivors	<p><i>Group(s) covered</i> Mandatory: All employees persons, including agricultural workers, household workers in urban areas, apprentices, and all employees of the national public service and local authorities who began work on or after February 1, 2000. Voluntary coverage for self-employed persons and some categories of informal-sector workers who were previously covered for at least 60 months. Exclusions: Workers earning less than 15,000 kwacha a month; armed forces personnel.</p> <p>Special system for employees of the national public service and local authorities who began work before February 1, 2000.</p> <p>indicators Number of persons covered <u>according to the legislation</u> <i>mandatory</i> basis - 751249 among 15-55 (15.5 % of economically active) - 774304 among 15-65 (15.1 % of economically active)</p> <p>Number of persons covered <u>according to the legislation</u> <i>voluntary</i> basis - 1422089 among 15-55 (29.4 % of economically active) - 1558968 among 15-65 (30.4 % of economically active)</p> <p><i>Denominator</i> EAP 15-65 (international definition - 5123093) or EAP 15-55 based on national legal retirement age (4835485) <i>Source: LFS 2008</i></p>
	Sickness and Maternity	No statutory cash benefits are provided.
	Work Injury	<p><i>Group(s) covered</i> Employed persons, including casual workers, household workers, apprentices, and public-sector employees not covered under the special system for public-sector employees. Exclusions: Self-employed persons. Special system for public-sector employees.</p> <p>Number of persons statutory covered on a <i>mandatory</i> basis - 833576 among 15-55 (17.2 % of economically active) - 858118 among 15-65 (16.7 % of economically active)</p>
	Family allowances	No statutory cash benefits are provided.
	Unemployment	No statutory cash benefits are provided.

4.1.2 Worldwide estimate of statutory coverage: scope and extent of statutory coverage

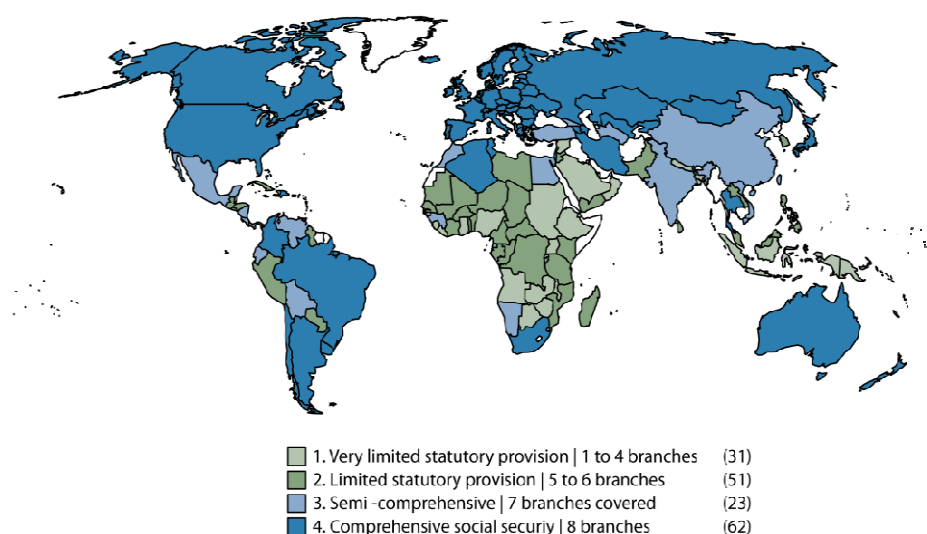
There is no country in the world without any form of statutory social security provision. The risks of work injury, as well as old age, survivors and disability are the ones covered by at least one statutory programme almost universally. However, comprehensive social security is still largely limited to high-income countries, yet a number of countries have made large strides to provide semi-comprehensive statutory coverage. Roughly half of the world's countries cover seven or eight branches, while the other half provide only limited statutory protection (see Figure 1). Some level of partial protection by social security exists in nearly all countries, though only a minority of countries provides protection in all branches: 38.2 percent of countries worldwide, 3.8 percent in the group of low income countries and 6.4 percent among African countries (Algeria, South Africa and Tunisia).

Figure 1 Scope of coverage by statutory schemes



Source: 2011 ILO Social security department based on Social security programmes throughout the world

Figure 2 Scope of statutory coverage. Branches of social security: Number of branches covered by a statutory social security programme, 2009-10/11



Sources: For identification of groups covered: SSA/ISSA, 2010 for Asia and Europe; 2011 for Africa and 2009 for the Americas. Numbers in brackets give the number of countries included in each group. The nine branches of social security (Convention No. 102) are aggregated to eight through the merging of sickness and health benefits. It is furthermore assumed that countries that have all eight classical branches of social security in place also have functioning social assistance schemes in place.

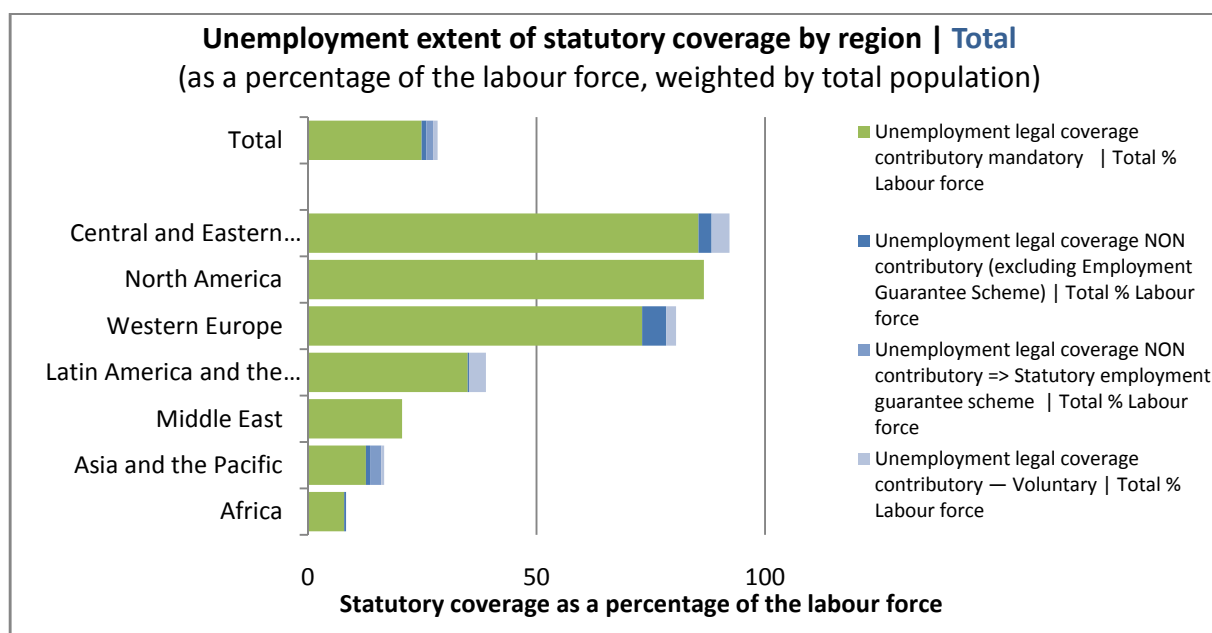
4.1.3 Extent of statutory coverage

Table 3 Extent of statutory coverage for work injury . regional estimates (*weighted by population*)

As a percentage of the economically active population				
REGIONS	Total statutory coverage	Mandatory social insurance (excluding employer liability programmes)	Voluntary social insurance	Covered by employer-liability type of programme
Africa	37,8	19,2	6,2	12,4
<i>North Africa</i>	54,1	44,5	1,4	8,2
<i>SoS Africa</i>	34,5	14,2	7,1	13,2
Latin America and the Caribbean	63,6	51,4	6,3	5,9
North America	86,8	86,8	0,0	0,0
Western Europe	87,1	83,5	3,6	0,0
Central and Eastern Europe	86,8	84,9	1,9	0,0
Asia and the Pacific	30,8	26,5	3,0	1,3
Middle East	54,2	52,8	0,0	1,4
Total	44,3	37,8	3,5	3,1

Source. ILO, 2010: *World Social Security Report 2010/11: Providing coverage in the time of crisis and beyond*

Figure 3 Extent of statutory coverage: Unemployment extent of statutory coverage by region



Sources

SSA/ISSA. 2009, 2010, 2011. Social Security Programs Throughout the World (Washington, DC and Geneva):The Americas, 2009; Europe, 2010; Asia and the Pacific, 2010; Africa, 2011.

For estimates of legal coverage (quantification of the groups legally covered):

ILO, LABORSTA (<http://laborsta.ilo.org/>): Total and economically active population; employment (total, by status, public sector employment), National statistical offices: datasets and reports from national labour force surveys or other household or establishment surveys (link to national statistical offices websites: http://laborsta.ilo.org/links_content_E.html#m2).

Global estimates of statutory coverage: weighted by total population of 2010 (UN population prospects, 2010 revision)

4.2 Effective coverage indicators

4.2.1 Illustration from Zambia

Table 4 Summary of results for effective coverage indicators in Zambia

2	Effective coverage	Example of indicator for old age coverage	
2.1	Protected persons	Share of economically active population contributing to a pension scheme	<p>a) In 2008 (from labour force survey data) 9.0 percent of the EAP aged 15-55 See table XX for more details</p> <p>b) From 2008 administrative data from national pension schemes (NPS, PSPF and LAPF. Data available from the ILO social security inquiry database) the coverage by social security schemes equals to 11 percent among the economically active aged 15 to 55.</p>
2.2	Actual beneficiaries	Share of population aged 55 years and above benefiting from a pension, in % (Old age pensions from contributory social security schemes)	<p>From administrative data from national pension schemes (NAPSA, PSPF and LAPF). Minimum 6.8 percent of the elderly aged 55 and over (including NPS, PSPF and LASF) Maximum 9.5 percent of the 55 and over if including all schemes with some of the pensioners benefiting from several schemes (occupational schemes as a top-up benefit to a basic scheme) so a obvious over-estimate of the total number of pensioners.</p>

Assessment of effective coverage regarding protected persons using household survey data

One question on social security “potential coverage” is included in both in the Labour force survey 2008 and the Living Conditions and Monitoring Survey 2010. Results presented in tables 4 and 5 are based on the LFS 2008.

The question “Does your employer contribute to any social security scheme?” refers to “Protected persons” for old age, survivors, invalidity and, in some cases, employment injury benefits. The formulation is unfortunately imprecise with no reference to a specific scheme. However being part of the survey this can be easily analysed with other socio and demographic characteristics as well other features of the activity and employment. Main results are presented in table 5 below.

According to the survey in 2008, 9 per cent of the economically active population aged 15 to 55 years old is covered by one the schemes provided old age pension benefits (5.1 percent of women and 12.7 percent of the men economically active). The proportion is significantly higher (as expected) among paid employees (who represent 16.6 percent of total employed) with 48 percent of paid employees being covered (closed to three quarters among public sector employees). Self-employed have the ability, by law, to contribute on a voluntary basis, but only a few do so. According to the labour force survey data, only 1.4 percent of them are contributing to one of the social security schemes. Going further 85% of the employed are in totally informal employment deprived of most of the rights and entitlements – including social protection - associated with formal employment. The corresponding proportion is closed to 20 percent among paid employees (23 percent among women paid employees and 16 percent among men paid employees).

Table 5 Zambia: Share of the employed and economically active population aged 15-55 contributing to a pension scheme (results from the labour force survey 2008)

Share of the employed and economically active population aged 15-55 contributing to a pension scheme	Total	Female	Male	Rural	Urban	Rural female	Urban female	Rural male	Urban male
Protected persons by contributory scheme as a percentage of total employment (15-55)	9,2	5,2	13,0	3,7	22,6	1,9	14,7	5,5	28,6
-- among public sector workers (15-55)	74,0	73,6	74,3	71,6	75,1	66,8	76,2	73,9	74,5
-- among private sector workers (15-55)	4,9	2,0	7,7	1,7	13,5	0,8	5,8	2,8	19,7
-- among paid employees (15-55)	48,0	45,7	49,0	43,0	50,2	37,5	49,2	45,2	50,6
-- among self employed (15-55)	1,5	1,1	1,7	1,0	2,9	1,0	1,5	1,0	4,3
-- among unpaid family workers (15-55)	0,2	0,2	0,3	0,1	0,6	0,1	0,4	0,1	1,0
Protected persons by contributory scheme as a perc. of economically active (15-55)	9,0	5,1	12,7	3,6	21,5	1,9	13,7	5,4	27,6
-- among public sector workers (15-55)	74,0	73,5	74,3	71,6	75,1	66,7	76,1	73,8	74,5
-- among private sector workers (15-55)	4,8	2,0	7,7	1,7	13,4	0,8	5,7	2,7	19,6
-- among paid employees (15-55)	47,9	45,6	48,9	42,9	50,1	37,3	49,0	45,1	50,5
-- among self employed (15-55)	1,5	1,1	1,7	1,0	2,8	1,0	1,4	1,0	4,3
-- among unpaid family workers (15-55)	0,2	2,0	0,3	0,1	0,6	0,1	0,4	0,1	1,0

Source: Zambian Labour force survey, 2008

Only 8 % of all those employed work in an environment that may be called fully formal – at least according to the criteria adopted (working in the formal sector — registered activity, formal fixed location and 5 workers at least in the enterprise — and formal condition of work based on three indicators — social security coverage, benefit from paid leave and having a permanent or fixed term contract). Considering paid employees, less than 50 percent are in so-called fully formal employment.

Based on administrative data and for the same age range 15-55, the figure calculated in the ILO Social Security Inquiry based on all existing schemes (NPS, PSPS and LAPF) is of 11 percent of the economically active population for the same age range.

Both figures have their own limitations but at least gives the same estimate of coverage as discussed in section 5 of this note (sources and methods of data collection).

Considering effective coverage in terms of actual beneficiaries (Table 6), the latest data available for Zambia indicate that 6.8 percent of the elderly over 55 receive an old age pension from the three main public pension schemes. Some of these pensioners receive in addition a supplementary pension from private pension schemes or annuity.

Table 6 Zambia: Comparative Analysis of pensions in payment per scheme

	NPS	PSPF	LASF	Private pension schemes (supp.)	Retirement Insurance Annuities (supp.)
Number of pensioners	4417	32746	10450	8827	9504
Number of 55+ (2010)	692577	692577	692577	692577	692577
Share of population aged 55 years and above benefiting from a pension	0,6	4,7	1,5	1,3	1,4
Highest monthly pension	K 2,303,772	Not available	K2,791,667	20,920,000	5,412,116.67
Lowest monthly pension	K533,622.40	K100,000	K62,500.00	2,104.02	K 664.02
Ratio with moderate Poverty Line					
Highest monthly pension	15,8	0,0	19,1	143,3	37,1
Lowest monthly pension	3,7	0,7	0,4	0,0	0,0
Ratio with minimum wage					
Highest monthly pension	8,6	0,0	10,4	78,1	20,2
Lowest monthly pension	2,0	0,4	0,2	0,0	0,0

Source: NAPS, PSPF, LASF, PIA, Pension Schemes and Fund administrators

Minimum wage: ILO/ TRAVAIL Global Wage Database. Minimum wage formal sector

(<http://www.ilo.org/legacy/english/protection/travail/pdf/wagedatabase10.xls> / accessed September 2011)

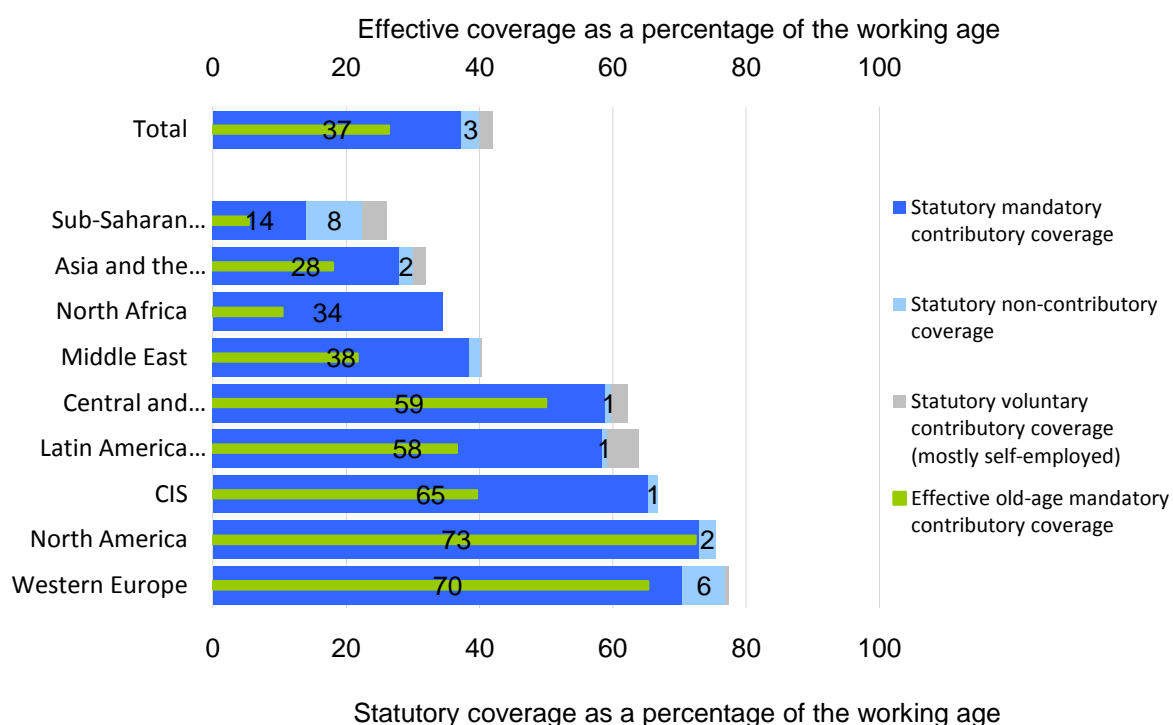
4.2.2 Effective coverage indicators: some global estimates

Coverage by old-age pension schemes around the world³, apart from in the developed countries, is concentrated on formal sector employees, mainly in the civil service and large enterprises. Figure 3 shows the distribution of coverage measured in terms of persons protected around the world (statutory and effective coverage expressed as a percentage of the working age). It can be seen that

³ World Social Security Report 2010/11. Providing coverage in times of crisis and beyond (ILO Geneva 2010)

the highest coverage is found in North America and Europe, the lowest in Asia and Africa. Existing legislation stating theoretical coverage may however differ significantly from effective coverage in terms of actual contributors to pension schemes. Worldwide, nearly 40 per cent of the population of working age is *legally* covered by contributory old age pension schemes with a proportion in North America and Europe this number nearly twice as high and Africa, where less than one-third of the working-age population is covered even by legislation.

Figure 4 Old age pension coverage worldwide: statutory versus effective coverage expressed as a percentage of the working age



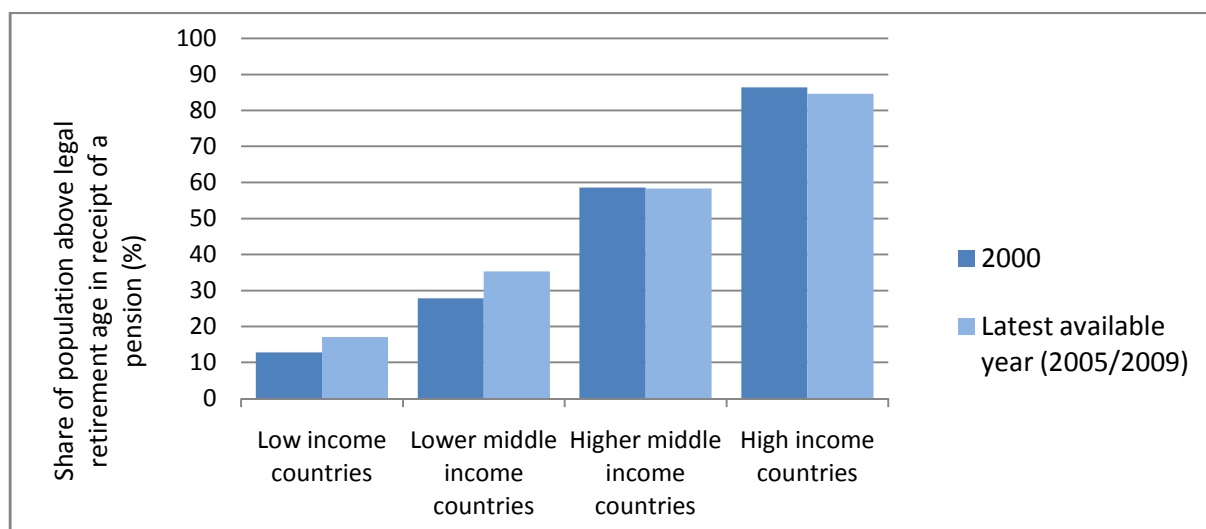
Sources: ILO Social Security Department based on SSA/ISSA, 2008, 2009; ILO, LABORSTA (ILO, 2009e); national legislative texts; national statistical. Data for estimates of legal coverage; and compilation of national social security schemes data for effective coverage. See also ILO, GESS (ILO, 2009d).

Country data are available in the Statistical Annex of the World Social Security Report 2010/11.

As mentioned earlier, effective coverage is significantly lower than statutory coverage. With the exception of North America and to a lesser extent Western Europe, effective coverage is quite low in all regions, although it is still at nearly 50 per cent in Central and Eastern Europe. However, in sub-Saharan Africa only 5 per cent of the working-age population is effectively covered by contributory programmes, while this share is about 20 per cent in Asia, the Middle East and North Africa.

At the same time, as presented on figure 5 below, while in high-income countries 80 per cent of persons above retirement age are receiving some kind of pension, in low-income countries less than 20 per cent of the elderly receive pension benefits with however a significant extension of coverage in the last 10 years notably due to the introduction, in addition to contributory schemes for those in the formal economy, of universal pensions (Lesotho, Mauritius and Namibia) or social assistance pensions which reach a large section of the population (South Africa).

Figure 5 Share of population above legal retirement age in receipt of a pension (%)



Source: ILO social security inquiry database

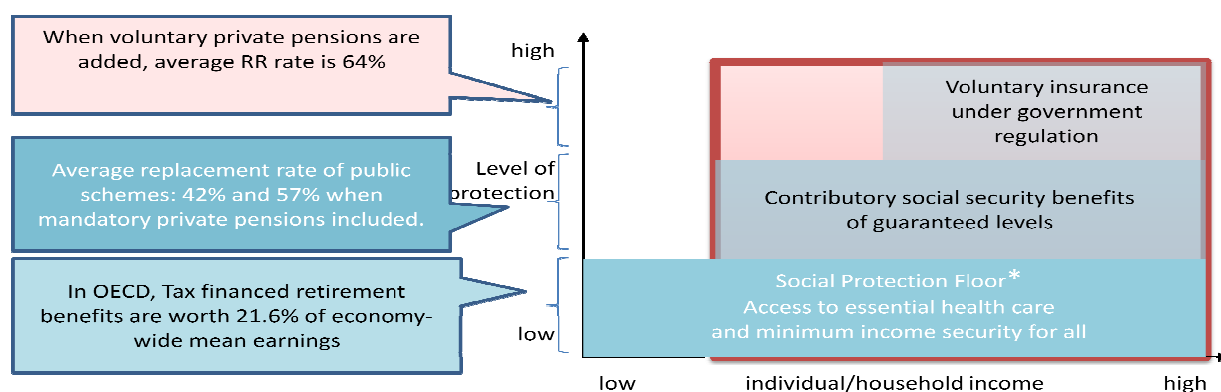
4.3 Level of coverage: adequacy of coverage

Table 7 International social security standards and benchmarks in income security benefit adequacy (C. 102 and higher standard up to date conventions)

Branches	Convention No. 102 (%)	Conventions Nos 121, 128, 130, 168, 183 (%)
Sickness benefit	45	60.6
Unemployment benefit	45	50
Old-age benefit	40	45
Employment injury benefits		
- Short term	50	60
- Disability	50	60
- Survivors	45	50
Family benefits	(3 or 1.5)	...
Maternity	45	2/3 of the woman's previous earnings
Invalidity benefits	40	50
Survivors' benefits	40	45

“Replacement rate” refers to reference wages that are in the case of earnings-related benefits – the previous wage of a skilled manual male employee; If the benefits provided take the form of means-tested social assistance benefits, they should not be lower than prescribed portions of the typical prevailing wage levels paid for simple unqualified work and together with the beneficiary’s other means – they should “be sufficient to maintain the family of the beneficiary in health and decency” (Convention No. 102, Article 67).

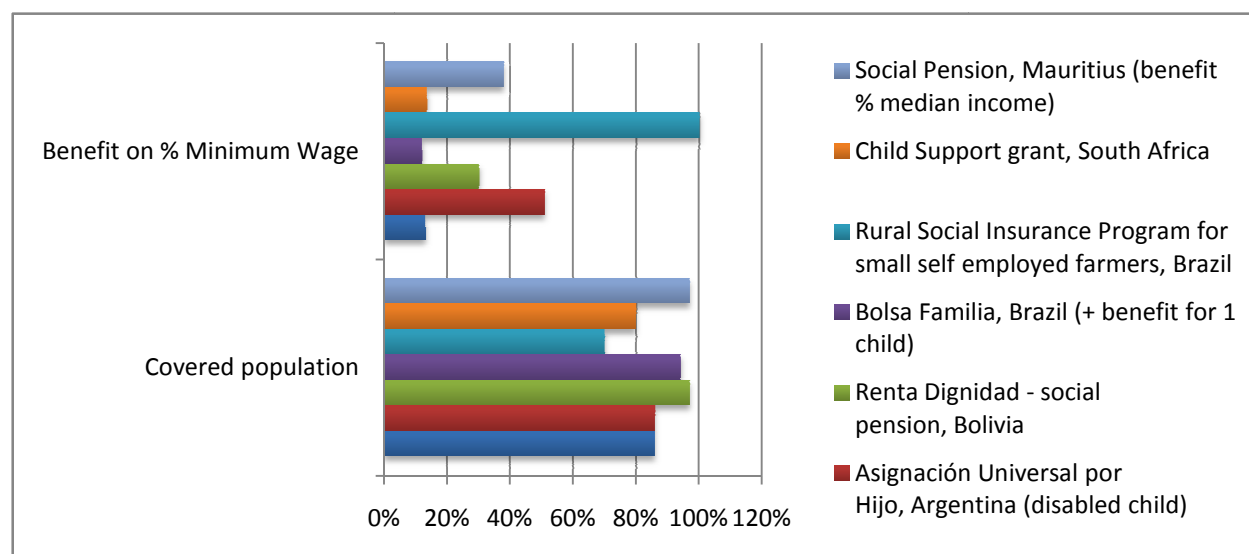
Figure 6 Level of coverage: adequacy of coverage in OECD countries



Source: OECD Pensions at a Glance, 2011

For workers with average earnings, pensions gross replacement rates are in average 57% in 34 OECD countries. For Japan, Mexico and the United Kingdom future replacement rates are below 35% to people starting work today. Countries with replacement rates >70% and <90% are Greece, Austria, Denmark, the Netherlands and Spain. For non-OECD countries a wide range in replacement, with South Africa and Indonesia below 15%

Figure 7 Coverage indicators of some national social protection floor programs in the world



Source: Social protection floors for social justice and a fair globalization, Report IV (1) International Labour Conference 101st Session 2012, p.20 and 27

4.4 Specific health coverage deficit indicators⁴

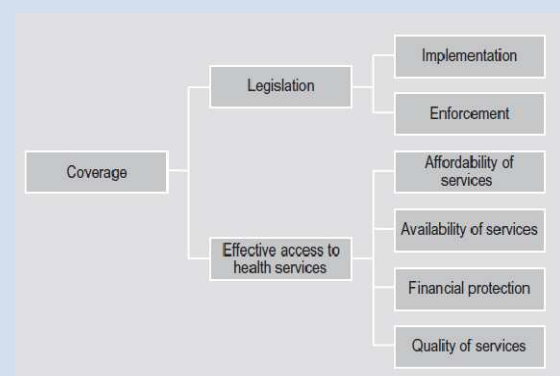
A frequently used indicator to measure social health protection performance is the extent of population coverage as stipulated in national legislation. However, this indicator does not provide

⁴ For more details see ISSA 2011, Internal Social Security Review. Beyond legal coverage: Assessing the performance of social health protection.

meaningful information on performance in terms of effective access to benefits that are available, affordable and of acceptable quality, not least for the poor and workers in informal economies.

Legal coverage requires the implementation and enforcement of legislation with a view to providing universal access to health services. Effective access to health services involves the following dimensions (see Figure 4):

Figure 8 Concept of coverage in social health protection



Affordability. The affordability of services is defined as the absence of financial barriers to needed health care aiming at avoiding health-related poverty or impoverishment.

Availability. The physical availability of a specified range of health care services, health infrastructure, health service workforce, medical goods and products, and the timely provision of affordable and adequate services are required for effective access to health services, medicines and health care commodities.

Financial protection. Financial protection consists of two components: i) reducing out-of-pocket payments; and ii) providing income support (e.g. compensation for lost income). Financial protection addresses the risk of impoverishment owing to catastrophic health events, out-of-pocket payments, and transport costs to reach health care facilities, particularly in rural areas.

Quality. Utilization and access are influenced by the quality of services provided.

- **Source:** Xenia Scheil-Adlung and Florence Bonnet, *Beyond legal coverage: Assessing the performance of social health protection*, *International Social Security Review*, Vol. 64, 3/2011

4.4.1 Assessing effective access to health services: Suggested set of indicators

Measuring performance and, more particularly, progress towards universal coverage should reflect the complexity of the concept. Unfortunately, the various dimensions of coverage cannot be quantified using one single indicator. Therefore, it is suggested that the most important dimensions of the concept be covered through a set of indicators that serve as proxies for effective access by providing information on legal coverage, affordability/ financial protection, availability and quality.

Given the costs involved in data development at the global and national level, it is suggested to use as far as possible existing databases. This leads to a limited list of available indicators. Indicators that can fulfil the role as a proxy for the various dimensions to be captured and which are globally comparable are listed below:

Legislation and affordability/financial protection

- Legal coverage: Deficit of legal/formal coverage in per cent of the population, based on data from the ILO Social Health Protection database (ILO, 2008).
- Affordability and financial protection: Share of out-of-pocket payments in per cent of total health care expenditure based on National Health Account data and data available from various sources using WHO databases.

Availability and quality of health care services

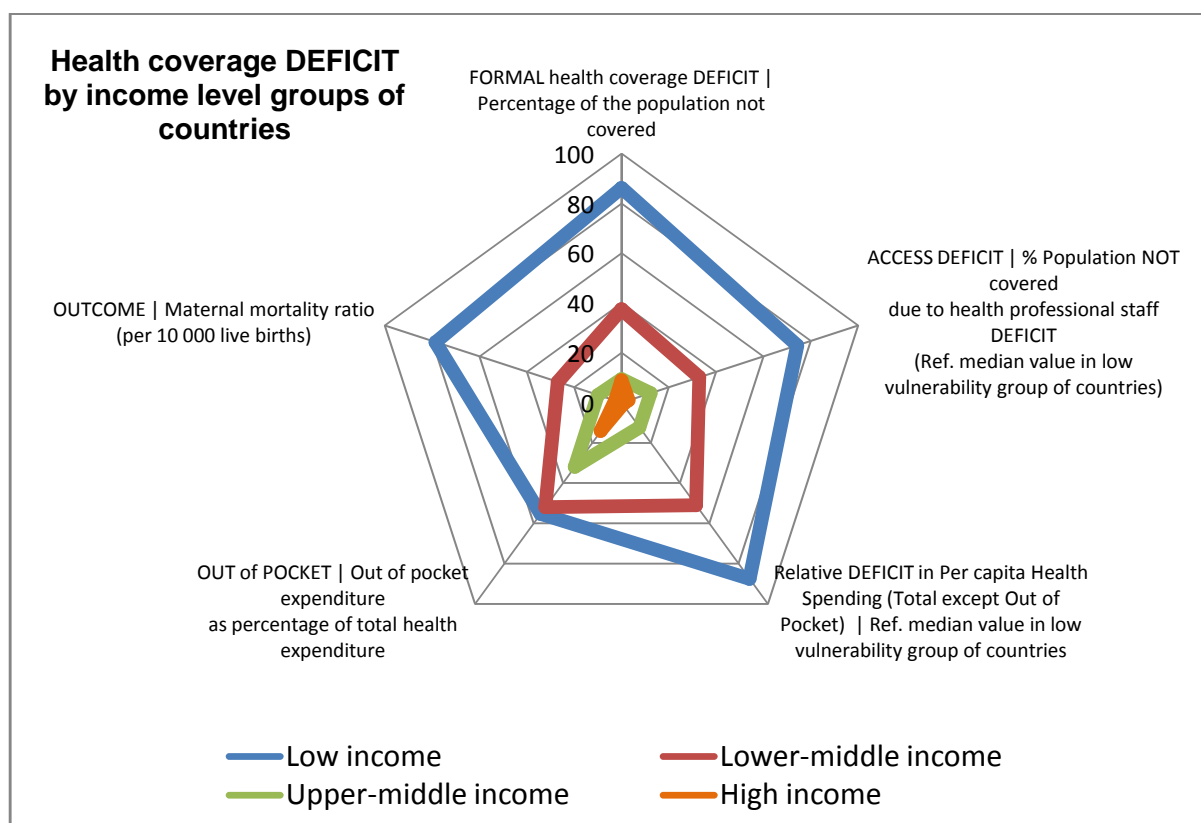
- Resources deficit: measured by proportion of actual total health expenditure per capita (less out-of-pocket expenditure) to a specific benchmark value (defined here as the median value for low-vulnerability countries);
- Access deficit: measured by percentage of population not covered due to insufficient number of qualified medical personnel (using median density of medical personnel in low-vulnerability countries as the benchmark).
- Another important indicator of effective access to health services as well as quality of these services relates to health outcomes such as maternal mortality, reflecting all social strata including the extremely poor.

4.4.2 Assessing effective access to health services: some results

An overview of global deficits in coverage by groups of countries classified by their level of income (World Bank classification) is provided in Figure 5. As expected, global income level plays a significant role as regards differences in coverage and access. Increasing level of income translates into a relatively constant enlargement of coverage and access. The figure reveals that in the low income group of countries represented in the outer line (blue line in figure 5) more than 80 per cent of the population have no statutory health coverage and no access to health services due to gaps in the health workforce, and experience significant gaps in financial protection and affordability of services, given the extreme values of out-of-pocket payments impacting on poverty. The deficit in per capita spending over 85 per cent based on the median value deepens the overall gap in financial protection. We also find in this group of countries the highest values for maternal mortality of near 80 deaths per 10,000 live births.

Figure 9 below provides a multidimensional statistical picture of health coverage.

Figure 9 Health coverage deficit: Overview by level of income at the country level (global estimates)



Note: The multiple dimensions of health coverage are presented in the Statistical Annex.

Sources: ILO calculations based on WHOSIS (WHO, 2009a),

In this multidimensional statistical picture no specific indicators have been included for the third main dimension of health-care coverage namely the scope of health-care services provided: what benefit packages are in place and whether they are accessible to all in need. This aspect of coverage is even more difficult to measure – particularly on an internationally comparable basis. In the ILO methodology of measuring coverage defined as effective access to health care this dimension is for the time being taken care of by using the health outcomes indicator of maternal mortality rates. There is general agreement that benefit packages should be set with a view to maintaining, restoring or improving health, guaranteeing the ability to work and meeting personal health-care needs. Countries should define health protection benefit packages specifying the health services, medicines and commodities that are to be made available to the population covered. The determination of the corresponding “essential package” of benefits can play a key role here, provided the process is conducted appropriately.

5 Sources and methods of data collection

5.1 Sources of social security data and information

5.1.1 Statutory coverage: scope and extent of statutory coverage

- From national sources: national legislation, regulations.
- From international sources:
 - SSA/ISSA. Social Security Programs Throughout the World (Washington, DC and Geneva);
 - ILO NATLEX database of national labour, social security and related human rights legislation;
 - MISSOC, the 'Mutual Information System on Social Protection / Social Security' for the European Union countries and MISSCEO The Mutual Information System on Social Protection of the Council of Europe (MISSCEO) for the member states of the Council of Europe that are not members of the European Union.
- Additional sources of data required to estimate the *extent of statutory coverage*, i.e. quantifying the groups covered by the national legislation.
 - Based in existing national legislation the main determinants of the extent of statutory coverage are:
 - Some socio-demographic characteristics, mostly age (notably for old age benefits, working age related benefits — e.g. disability, employment injury, unemployment benefits — and child benefits); place of residence (e.g. rural versus urban)
 - The situation on the labour market (active versus inactive; employed, unemployed)
 - The status in employment: employees, self-employed (employer and own account workers), unpaid family workers
 - The level of income or other indicator of wealth
 - And some other characteristics such as some of the features of the activity or of the enterprise including the size of enterprises (e.g. Viet Nam where eligibility to unemployment benefits limited to enterprises of more than 10 workers); the sector of activity (e.g. agriculture workers excluded from certain schemes like in Benin or Madagascar for the old age pension scheme); public versus private sector; the location (e.g. rural, urban).
 - The main sources of information to qualify the groups covered as stated in the legislation are data from main national household surveys (labour force and household expenditure and income surveys) as well international database on labour statistics (ILO Laborsta).

5.1.2 Extent and level of coverage

- **Administrative data**

- The « classical » source of data: social security database records, enterprise level surveys
 - Data (which should be) routinely collected by institutions running social protection programmes
 - Information on beneficiaries, benefits & the covered population indispensable to properly manage, monitor and evaluate a scheme
 - Not specifically collected for research purposes
- Main advantages | ideally
 - Comprehensive as all recipients are contained within the dataset
 - Low cost
- Drawbacks regarding coverage
 - Administrative data usually contain ample information on those groups of the population that are covered but not on those who are NOT covered
 - Eligible non-recipients usually are not captured
 - While administrative data can be used to estimate the extent of coverage, they usually do not provide any insights on the causes and effects of non-coverage.
 - Possible double-counting in case of multiple benefits received by the same person
 - AND in many developing countries, often poor quality and availability of such data in absence of properly managed records and information system
 - Difficult to capture schemes that are less visible
 - Fragmentation of sources (multiple schemes and programmes) and lack of coordination at the national level

- **Household surveys**

- Main types of surveys
 - Labour Force surveys including 1-2-3 follow up surveys
 - General Household Budget Surveys,
 - Demography and Health Surveys
 - People's Security Surveys (PSS)
- Main advantages | ideally
 - Household survey data are complementary to administrative data. The ideal situation to assess coverage is to have access to both; and
 - Overcome some of the problems encountered with administrative data
 - Most appropriate information source for identifying existing gaps in coverage
 - Information on potential beneficiaries and their characteristics
 - Analyse the causes and effects of the absence of coverage
 - Information on the distribution of specific risks among the population
 - Evaluate what can be the options for extension of coverage
 - Appropriate tool for the analysis of
 - Distributional effects of social protection (poverty impacts)

- Evaluation of the programme and impact analysis
- In addition, labour force surveys and other household surveys provide
 - **Baseline denominators** for coverage indicators (labour force data per sector/industry/occupation/age/gender)
 - Possibility to cluster groups of **informal economy workers** via cross references of coverage with market characteristics of working population (size of enterprise, number of jobs, hours, sources and level of income, sector occupation, qualification..)
 - And, depending on surveys (such as PSS type surveys) some **objective** and **subjective** indicators regarding the needs, knowledge of existing social security schemes and programmes, coping strategies, access to services...)
- Drawbacks
 - At present not many developing countries include questions on social protection in their regular survey and when part of the questionnaire, sometimes un-precise and not fully exploited as only a few countries analyze and use these information when they exist
 - Cost (household surveys can be very expensive)
 - Sampling method to extrapolate survey results: sometimes limited

5.2 Methods of data collection

5.2.1 Some recommended minimum set of modules for Labour Force Surveys or Income and Expenditure Surveys

The diagnosis about existing household surveys in many developing countries

- More questions on contributors, less on beneficiaries
- One overall question but no specific reference to a specific scheme or to the risk covered (this is not the case in South African labour force survey or General household survey where some clear reference to some of the existing programmes are indicated in the survey questionnaire)
- Classical question: « does your employer contribute to social security ?»
 - Risk of under-estimate by employees not necessarily aware
 - Target only employees and excludes self-employed (often covered on a voluntary basis)
- Question often limited to one scheme (the scheme for private sector employees) and always limited to statutory schemes
- Exclude most of community based schemes (such as micro health insurance)

The objective

- Deal with primary data collection via household surveys: Promoting the use of a module of questions to include in regular surveys
- Better coverage of the social protection dimension in regular surveys: LFS, HH budget Surveys
- Fill the information gap in particular on the issue of social protection coverage
- Overcome or compensate limitations of administrative data

What?

- 30 questions in total for widely defined social protection
- Provide some estimates and facts at the national level, elements which could call for the need for an independent more detailed survey
- Contribute to awareness raising of the need for and usefulness of social protection statistics

Figure 10 Example of questions to be included in regular household surveys

Coverage

To be adapted to national circumstances

Are you yourself covered by any of the following schemes? Does the scheme also cover your family?

- Social security system
- Public Service Pension scheme
- Parastatal Pension Fund
- Government & Local Authorities Employees Provident Fund
- Medical Services and Social Welfare
- Medical care supported by an employer
- Commercial insurance
- Community-based insurance scheme

- **Have you ever received any benefit from one of these schemes?**

Which benefits are the schemes that are covering you, meant to provide? (multiple answers)

- Medical care – sickness, injury
- Medical care – maternity
- Sickness
- Work injury/ occupational disease benefits
- Invalidity benefits
- Old-age pension
- Funeral costs
- Survivor's benefits
- Maternity benefits
- Unemployment benefits
- Education for family members

Risks:

During the last twelve months, has one, or several of the events listed below seriously affected your household's ability to pay the most necessary expenses?

- Birth of a child (and pregnancy)
- Hospitalization of income earning member | other member of the family
- Other medical costs
- Death of income earning member | other member of the household
- Permanent disability or illness
- Temporary disability
- Loss of job/employment/work
- Retirement from employment
- Natural disaster
- Business failure
- Harvest failure
- Loss or destruction of property
- Other (Specify)

Coping mechanisms

How did the household cope with the financial effects of these events?

- Spent savings
- Sold machine, equipment or other asset used to generate income
- Sold harvest in advance
- Sold other asset
- Took out mortgage on asset or house
- Borrowed money from a bank
- Borrowed money from money lenders
- Borrowed money from other source
- Worked longer hours
- Sent children to work
- Received support from state/ government /public entity
- Received support from family or friends
- Received support from church, NGO, or other non-public actors
- Received support from cooperatives or professional associations
- Other (Specify)

5.2.2 The ILO social security inquiry: a quantitative database on social security

The objective of the social security inquiry is to collect quantitative data on social security to calculate a set of indicators which are, as far as possible, comparable across countries and over time and available on a regular basis. The rationale of the inquiry is to address the lack of (comparable) social security statistics outside the OECD world. In this respect, the inquiry adopts a systematic approach compatible with existing statistical frameworks such as the European System of Integrated Social Protection Statistics (ESSPROS) and the OECD (SOCX Social Expenditure Database).

5.2.2.1 Scope of the Inquiry: functions covered

The information collected and the indicators derived are classified by “contingency, risk or need” which encompass classification adopted in ILO Convention No. 102 and ILO Recommendations Nos. 67 and 69 (namely, old age; disability; survivors; sickness and health; unemployment; employment injury and occupational disease; family/children, maternity), supplemented by those encompassed in the wider definition of social protection namely housing and other income support and assistance (n.e.c.) /social exclusion.

5.2.2.2 Scope: Data collected through the inquiry

Two main categories of quantitative data are collected:

- Expenditure and financing information to answer to the following question:
 - o How much is invested in social security and where do the resources come from?
- Coverage indicators in terms of persons protected as well as actual beneficiaries, when possible desegregated by sex and age and average level of benefit by function, sex and age.
 - o Who is covered and for which benefit?

The social security inquiry’s main sources of data are registers and accounts of the institutions administering the social security schemes and programmes. As such, the inquiry is based mostly on administrative data with their specific advantages (low cost and exhaustive information on the population covered) and limitations (no information on the population not covered and their needs and the structural issue of data availability and quality especially in the developing world) as indicated in the first part of this section.

The “classical” process of data collection and the nature of data collected by scheme at the country level are presented in the box 1 below.

Box 1 Main steps of data collection and data collected

The main steps of data collection at the country level are the following:

Step 1 | Inventory of social security schemes and definition of each scheme

- Name of the scheme
- Public / private schemes; mandatory or voluntary
- Type of scheme: defined benefit, defined contribution, provident fund
- Contributory | non contributory schemes

Once, all the schemes are identified and defined

Main steps of data collection and data collected (cont.)

Step 2 | General information at scheme level:

By general information is understood both qualitative and quantitative information about target groups (who is covered, who is excluded), sources of funding, qualifying conditions, etc. The main sources of qualitative information for formal social security schemes are the legislation of the scheme and the SSA/ISSA publication "Social security programmes throughout the world".

- **Target groups:** Who is covered (or excluded) by the scheme. The objective is to identify the main group legally covered or actually targeted by the scheme or social security programme and to quantify this group. This corresponds to the "legal coverage" of the scheme (see methodological issues on coverage).
- **Protected persons:** number of affiliated members and active contributors (in the case of contributory schemes or programmes) as well as average earnings, if available desegregated by age range and sex
- **Expenditure** at the scheme level following the international agreed classification : benefits expenditure (cash, in kind or rerouted social contributions), Administration cost; transfers to other schemes; and other expenditure
- **Revenue** at the scheme level:
 - o Social contributions (employers, employees/protected persons, rerouted contributions);
 - o General government contributions;
 - o Transfers from other schemes; and other receipts

Step 3 & 4 | Benefits inventory and definition of benefits in step3 and data collection at the benefit level (considered by contingency or risk)

The benefit is defined by the function (main contingency or risk addressed); the type of benefit (in cash or in kind; means tested or not); the target (which can be individuals or households) and the periodicity (periodic benefits such as pensions; ad-hoc benefits or lump sum).

The data collected at the benefit level are the following:

- Benefit expenditure and minimum level if any,
 - Beneficiaries by age group and by sex
- Level of benefit by age group and by sex* *Most of the terms used here are defined in the glossary presented in annex of this note*

5.2.2.3 Structure of the Inquiry and data collected

The ILO Social Security Inquiry aims at two levels: national data and scheme-level data. This dual approach is necessary to access information which is rarely available at the national level. The figure 6 illustrates the structure of the Inquiry and the nature of the information collected at the different levels.

Based on information collected at the scheme level, two main categories of indicators are calculated on an aggregate national basis:

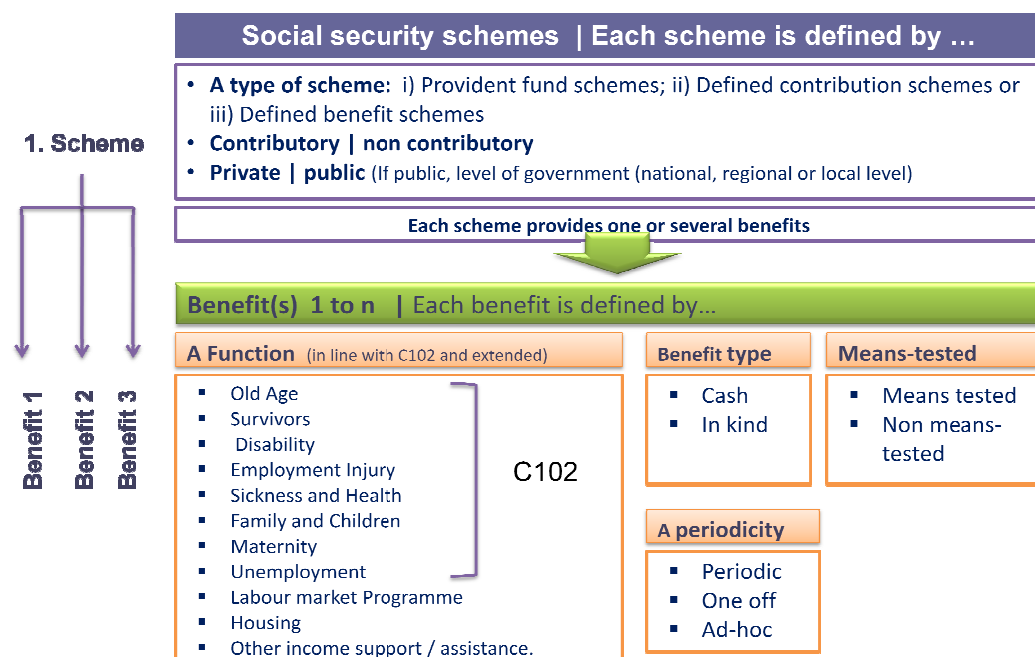
Expenditure indicators (30 indicators in total):

- Total social protection expenditure (public or private, mandatory and/ or voluntary), with and without health as a percentage of GDP or of the total government expenditure
- Social benefit expenditure by social security branch as a percentage of total social benefit expenditure

Coverage indicators by function (or social security branch) – around 10 indicators per social security branch

- Indicators of coverage are presented by branch or contingency and not, as in the case of the social protection index, an aggregate indicator of coverage.
- Indicators refer either to “protected persons” (affiliated or active contributors in the case of contributory schemes) or to actual beneficiaries
- For each indicator, various denominators are proposed with, as far as possible a reference to the target group for a defined contingency.

Figure 11 Structure of the Inquiry and data collected



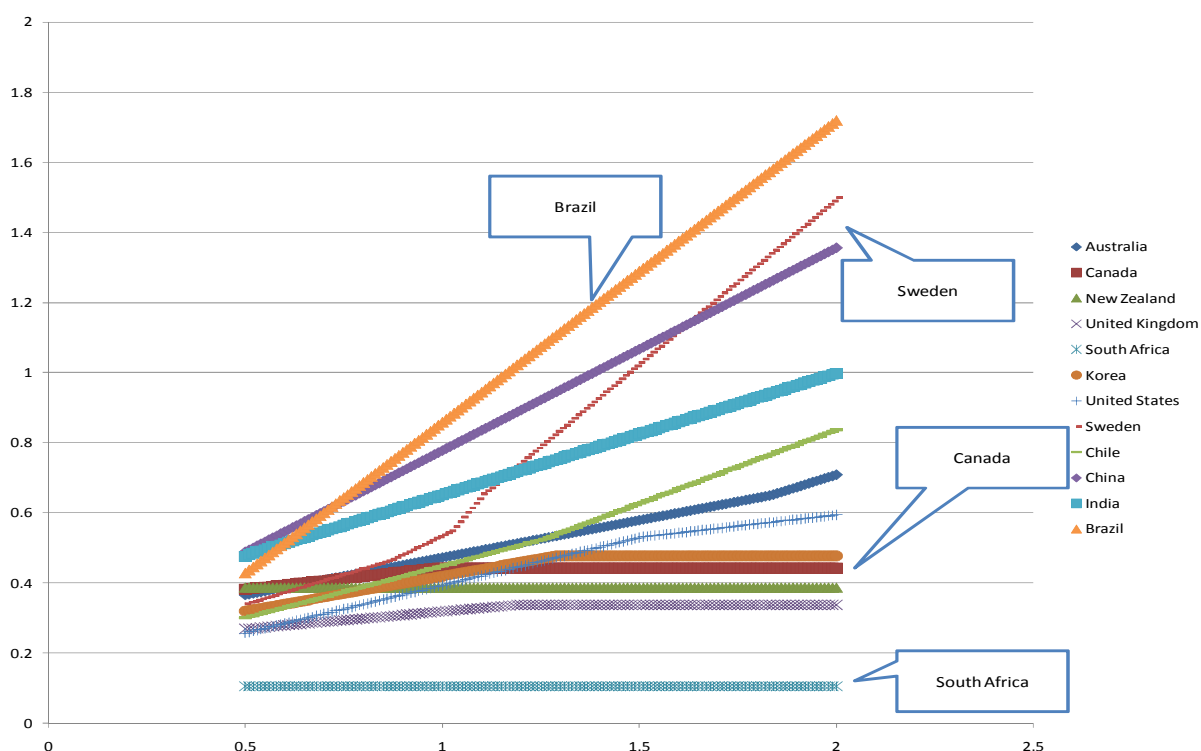
6 Conclusions

7 Bibliography

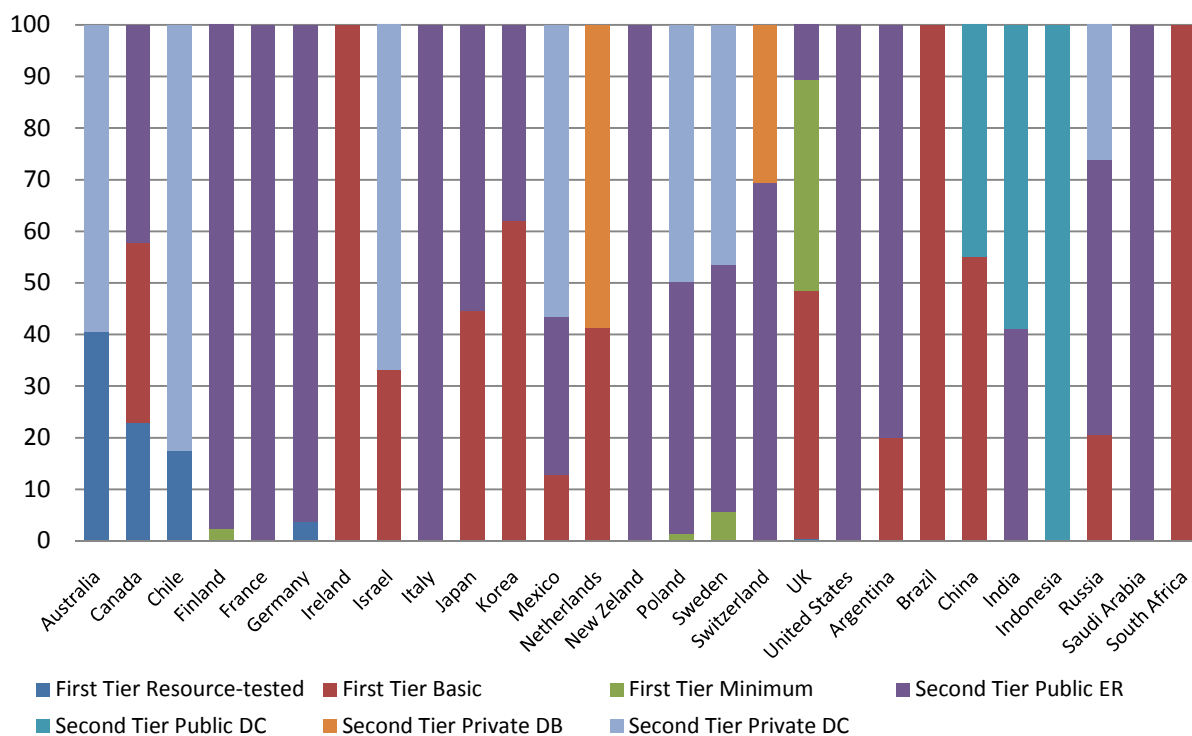
- ILO, 2010: World Social Security Report 2010/11: Providing coverage in the time of crisis and beyond
- Resolution concerning the development of social security statistics adopted by the 9th International Conference of Labour Statisticians in 1957
- Social protection floors for social justice and a fair globalization, Report IV (1) International Labour Conference 101st Session 2012
- Xenia Scheil-Adlung and Florence Bonnet, Beyond legal coverage: Assessing the performance of social health protection, International Social Security Review, Vol. 64, 3/2011

8 Annex

Gross retirement replacement rates in selected OECD countries and non emerging economies



OECD Data: Structure of the retirement-income package (% contribution of mandatory components to weighted average pension wealth)



Source: Graphs by authors based on OECD Pension at a Glance, 2011

9 Glossary

Scope of social protection for social security data and indicators	–	No universally accepted definition of the scope of social protection, including the compilation of statistics)
	–	According to a conventional definition (Eurostat), social security encompasses: <ul style="list-style-type: none"> – All interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs – Interventions to replace lost income but also to help where there is a lack of income – Interventions are mostly in the form of transfers with no reciprocity – Cash payments to protected people but also goods and services directly provided & reimbursements of expenditure made by protected people

1 Main features of schemes

	Scheme (social security scheme)	A “distinct body of rules, supported by one or more institutional units (schemes are not themselves institutional units, as one institution may administer more than one scheme) governing the provision of social protection benefits and their financing” (see in more detail Chapter 3.3.1, p. 13).
1.1	Public versus private schemes (regarding decision making)	Decision making refers to the unit that takes the most important decisions: the level of benefits, the terms on which they are paid and the ways in which the scheme is financed. Schemes may be government-controlled ("public") or not government-controlled ("private").
	Public scheme	consist of social protection schemes which are controlled by government. Controlled implies that the government takes all the principal decisions about the level of benefits, the terms on which they are paid and the ways in which the scheme is financed. Government-controlled social protection is usually established by law or regulation.
1.2	Contributory benefit / non contributory benefit	
	Contributory benefit	Entitlement to a benefit is based on contributions from insured persons and/or their employer.
	Non-contributory benefit	Entitlement to a benefit is not based on the previous payment of contributions but on other criteria. Non-contributory benefits are usually financed out of general taxation.
1.3	Compulsary versus voluntary schemes	
	Compulsary	Compulsory schemes are social protection schemes where membership is made compulsory by the government.
	Non compulsory	Non-compulsory schemes are all social protection schemes where membership is not made compulsory by government
1.4	Legal enforcement	
	Legal enforcement	Legal enforcement refers to the rules laid down by legislation concerning the membership of the protected people. Membership of a social protection scheme may be compulsory or non-compulsory (see above).
	Non statutory schemes	Not legally recognize as some community based schemes
1.5	Defined benefit / defined contribution / provident fund	
	Defined benefit	Schemes in which the link between individual contributions and benefits is rather weak.
	Defined contribution	Schemes in which the benefit is directly linked to the contributions the beneficiary has made previously.
	Provident fund	Regulated social security savings scheme that usually pays out a lump sum benefit rather than a periodic benefit.

1.6 Basic schemes versus supplementary schemes	
Basic schemes	Social protection schemes that guarantee a basic level of protection. This term does not relate to the level of benefits. In particular, this should not be understood as a minimum level of benefits
Supplementary schemes	Social protection schemes that top up cash benefits granted by the basic scheme, or extend the coverage of the basic scheme, or replace the basic scheme where conditions for entitlement to the basic scheme are not fulfilled

2 Main features of benefits

Benefit	Transfer (in cash or kind) provided to an individual or household on the basis of an entitlement or need.
2.1 Function	Risk or contingency addressed by a social security benefit such as old age, survivors, disability, employment injury, sickness/ healthcare, maternity, family allowances, unemployment, other income support not classified elsewhere; plus housing and basic education
2.2 Type of benefit: cash/ in-kind	
Cash benefits	Benefits provided in cash such as income replacement and income support benefits, lump-sum payments from provident funds, allowances and other cash payments which are not reimbursements (i.e. which do not require beneficiaries to show evidence of expenditure) (see in more detail Chapter 4.2, p. 13).
In-kind benefits	Goods and services provided directly to the recipients as well as in the form of cash reimbursements. (?)
2.3 Periodic benefits versus lump-sum or ad-hoc benefits	
Periodic cash benefits paid on a regular basis	Benefits that are provided during a given time period, recurring at regular intervals (generally on a weekly, monthly or quarterly basis, e.g. old age pensions) and whose main “raison d’être” is to provide income replacement by restoring, up to a reasonable level, income which is lost by reason of inability to work. In contrast, other cash benefits are generally paid at irregular intervals or once for each occurrence (e.g. funeral grant), whose primary aim is that of providing cash assistance and not of providing income replacement.
Lump sums	One-time capital payments to members of a scheme designed to provide only capital sums upon the retirement, invalidity or death of a protected person (i.e. provident funds).
2.4 Means-tested benefits and non means-tested benefits	
Means-tested benefits	Benefits that are granted only upon proof of need. Different types of income or assets, such as capital, earnings, benefits and other payments may be taken into account in the aggregate for the purpose of determining whether the applicants are eligible for benefit at all and the amount of benefit which will be granted.
Non-means-tested benefits	Benefit that is granted on the basis of contributory periods or other rights, etc.; eligibility is not dependent on an assessment of the beneficiary’s means (i.e. income, capital earnings...).

Main social security data

1 Coverage	Main data to collect for the numerator of indicators of extent of coverage
1.1 Protected person	Persons who will be entitled to receive social security benefits once a risk/contingency or need materializes. Current beneficiaries are a subgroup of protected persons. See also affiliated/registered persons.
Active contributors	Insured individuals who have made at least one contribution or on whose behalf at least one contribution has been made during the reporting period (see in more detail Chapter 6, p. 13).
Affiliated/registered persons	Persons who are insured with the scheme. This includes persons who are active contributors and persons who have not made any contributions or on whose behalf no contributions have been made during the reporting period but who are still protected by the scheme and would give rise to a benefit should a contingency arise.
1.2 Actual recipients	
Beneficiary	Individual or household receiving benefits at a specific point in time/during a period of time. In most cases, beneficiaries are individuals, yet in some cases, benefits are paid to households. See

also under Case.

2 Expenditure

1	Total expenditure	Benefit expenditure + Administrative costs + transfers to other schemes + other expenditure
1.1	Benefit	Transfer (in cash or kind) provided to an individual or household on the basis of an entitlement or need. Benefit expenditure = benefit in cash + in kind + rerouted social contributions
1.1.1	Rerouted social contributions	Rerouted social contributions are payments that a social security scheme makes to another scheme in order to maintain or accrue the rights of its protected people to social security from the recipient scheme. For example, in some countries, unemployment insurance schemes pay contributions to pension insurance schemes on behalf of unemployed beneficiaries in order to avoid breaks in their contribution record. Such rerouted contributions should be treated as a separate benefit.
1.2	Administrative costs	Any management and administrative expenditure incurred by the scheme directly responsible for the provision of social protection benefits, such as salaries, or the costs of running an office.
1.3	Transfers to other schemes	Transfers received given to other schemes; e.g. in order to cater for the acquired rights of protected persons who move from one scheme to another.
	Other expenditure	Within this category should be included all other miscellaneous expenditure incurred by social protection schemes such as interest on loans, taxes on income and wealth, and other miscellaneous expenditure not recorded elsewhere.

2 Revenue

1	Revenue	Total revenue = Social contributions + General government + Transfers from other schemes + Other receipts
1.1	Social contributions	Payments made by or on behalf of insured persons to social security schemes/institutions in order to guarantee coverage against one of the identified risks and contingencies. Social contributions are divided into Employer's social contributions, Social contributions by protected persons and Rerouted social contributions.
1.1.1	Employers' social contributions	Actual social insurance contribution: cash payments by employers to social security schemes in order to secure entitlement to social benefits for employees, former employees and their dependants
	Imputed social insurance contributions	Estimated employer contributions that reflect the value of benefits directly provided to the insured (e.g. in the case of an employer providing benefits directly)
1.1.2	Social contributions paid by protected persons	Social contributions paid by protected persons includes: contributions by employees, self-employed, Contributions by pensioners and contributions by other protected persons (voluntary).
2	General government contribution	Contributions by the government in order to finance the cost of goods and services provided by the government to protected persons in the form of means-tested benefits, as well as payments to social security institutions to cover deficits and to support expenditure related to guaranteeing minimum benefit levels. A category of "general government contributions" is divided into "earmarked taxes" and "general revenues".
2.1	Earmarked taxes	Levies and specially designated taxes raised to finance specific social security benefits
2.2	General revenues	Government financing from sources other than ear-marked taxes.
3	Transfers from other schemes	Transfers received from other schemes; e.g. in order to cater for the acquired rights of protected persons who move from one scheme to another.
4	Other receipts	Miscellaneous receipts of social security schemes. - Income from investments and property: Includes income derived from investments of the scheme (i.e. interest income on deposits with banks or other financial institutions, income from securities) as well as from property. - Other receipts not elsewhere classified: Includes miscellaneous income, such as fines on late payments, insurance claims and gifts