

persons and can be deducted from wages received according to published rules.

This variable includes:

- Employers' contributions to government insurance (social security) schemes (including payroll taxes levied for social insurance purposes).
- Employers' contributions to private retirement (pension) plans that are element of defined insurance system in a country (e.g. II pension insurance pillar).
- Statutory employers' contributions to other private retirement (pension) plans.
- Statutory or conventional employers' contributions to private health insurance.
- Statutory or conventional employers' contributions to life insurance.
- Statutory or conventional employers' contributions to other employer insurance schemes (e.g. disability).

*The variable does not include contributions that are voluntary to the employer.*

There is a distinction between two types of employers' social insurance contribution:

- Legal/mandatory contributions covering traditionally legal old age pension schemes, legal health insurance, unemployment, etc. These contributions are common to most employed persons and can be deducted from wages received according to published rules;
- Optional contributions made by employers on the basis of contractual or specific sectoral arrangements. These are more heterogeneous, limited to some employees and depending on the sector and the size of businesses. Typical examples are contributions to private pension plans, additional health insurance and term life insurance. This type of contribution seems to remain limited in importance in most countries, sometimes non-existent, but this type of contribution is likely to grow rapidly in the future with the reform of social protection systems.