

Methodological note

GUIDANCE ON THE COMPILATION OF ESSPROS DATA IN THE CONTEXT OF THE COVID-19 CRISIS

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1. Background and introduction

EU governments implemented a wide range of major policy measures in response to the COVID-19 pandemic. These include health related measures as well as measures to mitigate the economic and social impact of the enforced shutdown of businesses.

A first note on reporting COVID-19 policy measures in ESSPROS was prepared at the end of 2020 for the ESSPROS Task Force. Since then, it has evolved through several rounds of revision driven by consultation with members of both the Task Force and the Expert Group. This latest version takes account of the most recent feedback, acquired via comments arising via the meeting of the ESSPROS Expert Group in June 2022. In particular, some of the guidance has been adjusted and a number of recording recommendations have been further refined.

Development of guidance on reporting COVID-19 policies is also ongoing in other domains of social statistics as well as in national accounts. Materials already developed in other statistical fields are available on the Eurostat [website](#).

This document proposes how to group the various measures into a small number of categories and establishes recommendations on how to report each category in ESSPROS, clarifying both the **overall scope** of interventions to be recorded in ESSPROS (section 2) and on the **allocation of expenditure by ESSPROS function and, where relevant, detailed benefit classification** (sections 3-5). Further to this, it also reflects on the reporting of administration costs (section 6), the reporting of receipts (section 7), links with national accounts and other social statistics (section 8), and the feasibility of separately quantifying COVID-19 related policy measures (section 9).

2. Scope: which COVID-19 related policy measures should be recorded in ESSPROS?

Based on the ESSPROS definition of a social protection benefit, policy measures that belong in the expenditure of the ESSPROS Core System are *transfers* to households that *imply an equivalent rise in the (adjusted) disposable income of the beneficiaries* (ESSPROS manual, §100¹).

In the context of COVID-19 related policies, such measures can be classified in three broad categories:

1. *Health care* social protection benefits.
2. Support for household *income related to employment*: measures for keeping employees on the payroll despite an enforced reduction in working hours; support for self-employed and unincorporated enterprises obliged to interrupt their activities because of COVID-19 restrictions.
3. Support for household *consumption* expenditure – benefits in kind, generally as reimbursement or ‘coupon’ systems to buy specified goods and services.

Other categories of measures are outside the scope of the expenditure of the Core System. These include:

4. Fiscal policy related measures: deferral of tax and social contributions deadlines, postponing the submission deadlines for tax declarations, suspension of late payment interest on unsettled tax obligations, suspension of tax debt enforcement, reductions in tax and social contributions. These measures temporarily raise disposable income but are not transfers to households.

Exceptionally, measures in the form of *payable tax credits* should be reported as *social benefits* (in accordance with §112bis and §112ter of part I). Also, the impact of measures related to *social contributions* should be considered in relation to the recording of *receipts* in ESSPROS (see section 7).

5. Other business support measures carried out through *financial transactions* such as loans², guarantees and equity/capital injections into corporations (see §36, part I) and *distributive transactions* in the form of *subsidies*, such as wage subsidies (see §93 and §115C (ii), part I, and §64, part II).

Wage subsidies assist employers in the payment of the remuneration employees receive in exchange for work. They do not imply an equivalent rise in the (adjusted) disposable income of the beneficiaries and are therefore excluded.

Categories 1, 2 and 3 are treated in more detail in sections 3, 4 and 5 below. Measures related to social contributions are considered in section 7.

¹ In this document, all references to § without further specification refer to the ESSPROS manual.

² Support for housing mortgages (means-tested) is an exception that is included under housing (§79 of part II).

3. Health care social protection benefits

A significant part of COVID-19 related government expenditure is likely to fall under this heading in the form of direct provision or reimbursements of medical care. In both cases, they should be included in the *sickness/health care* function.

Two issues deserve specific mention to maintain alignment with the ESSPROS manual and preserve data comparability: preventive care expenditure, which should be included unless collective, and capital formation expenditure, which should be excluded.

A. PREVENTIVE CARE

§10 and §20C of part II include individual preventive care and exclude collective prevention³. This is an application of the ESSPROS general principle of excluding collective consumption expenditure from its scope because it relates to transfers that do not raise the (adjusted) disposable income of households.

Recording recommendations:

Vaccines provided for free or partly reimbursed by a social protection scheme (only the part that is reimbursed) should be included in the sickness/healthcare function as individual benefits in kind → out-patient care other than pharmaceutical products (1110222 or 1110224).

COVID-19 testing also falls in the sickness/health care function, whether the test is considered preventive (which is the case for large-scale testing of the population) or diagnostic (for individual cases) → out-patient care other than pharmaceutical products (1110222 or 1110224).

Personal protection equipment (PPE), such as masks and other personal protective items, may be viewed as serving two purposes, to protect individuals from infection and to reduce the spreading of the disease. Regarding inclusion of such protective items in the expenditure of social protection schemes, various cases may be distinguished according to which purpose seems prevalent:

- Free provision to individuals by government or reimbursement by a social protection scheme is *included* as social protection benefit in kind (§10 of part II, second bullet point) → out-patient care other than pharmaceutical products (1110222 or 1110224);
- Free provision to personnel providing public services (e.g. personnel of hospitals, nursing homes, public transport providers, schools and childcare personnel, etc.) by the government (often imposing their use) is *included* when these services are within the ESSPROS scope → included as part of the valuation of these services (intermediate consumption);
- Provision to employees within the frame of the work environment by *employers* (including government) aiming at guaranteeing *safety at work* should not be included (§12 of part II).

³ §10 mentions vaccination as individual and §20C gives the example of “preventive campaigns to alert the general public to health hazards” as collective public health intervention and not part of social protection.

B. CAPITAL FORMATION

Social protection benefits *exclude* expenditure related to gross fixed capital formation, such as the construction or extensions of hospitals or the purchase of medical equipment. *Consumption of fixed capital* over the amortisation period should be calculated for inclusion in the annual value of social benefits reported as direct provision of health care by non-market producers (§124 of part I).

4. Support for household income related to employment

In many EU Member States, governments enforced the temporary shutdown of certain economic activities such as the hospitality sector (hotels, restaurants, etc.), non-essential retail trade and parts of industrial production, and introduced quarantine and isolation procedures. In some cases, for certain periods, all activities except those essential to ensuring households basic needs were temporarily banned. Compensation measures such as furlough schemes were adopted to support those obliged to interrupt their activities because of COVID-19 restrictions. In terms of their treatment in ESSPROS, these measures can be analysed according to whether they address employees, corporations, or self-employed and unincorporated enterprises.

A. SUPPORT FOR EMPLOYEES

Support for employees made redundant or subjected to reduced/zero working hours due to restrictions falls under the unemployment function.

Employees made redundant are generally covered by *full unemployment benefits*: “benefits compensating for loss of earnings where a person is capable of working and available for work but is unable to find suitable employment” (§65, part II).

In most cases, however, COVID-19 policies supported businesses in retaining employees whose working hours were reduced (potentially to zero hours). In ESSPROS, these measures also fall under the unemployment function, as *partial unemployment benefits*: “benefits compensating for the loss of wage or salary due to formal short-time working arrangements, and/or intermittent work schedules, irrespective of their cause (business recession or slow-down, breakdown of equipment, climatic conditions, accidents and so on), and where the employer/employee relationship continues.” (§66, part II). In such arrangements, businesses are encouraged or obliged to retain their employees, while public schemes compensate affected employees for the wages lost from working fewer hours. Social contributions paid by the unemployment scheme to another scheme are treated as re-routed social contributions. In some cases, partial unemployment benefits may be disbursed by the employers, who are later reimbursed by a social protection scheme.

The use of other forms of unemployment benefits may have expanded in some countries as a response to the COVID-19 crisis. In general, the most relevant are cash benefits consisting of full unemployment benefits, partial unemployment benefits, and possibly redundancy compensation.

Partial unemployment interventions were already common in many countries in cases of sectoral crises or *force majeure* prior to the COVID-19 pandemic⁴. In other cases, similar

⁴ In particular, 11 Member States record data (until 2018) in partial unemployment benefits and 16 do not.

measures have only been introduced as a response to the pandemic.

Pre-existing schemes for unemployment benefits were normally significantly financed by social contributions. In the context of the COVID-19 related interventions, eligibility conditions as well as the time during which such benefits are granted have often been significantly expanded, so the resulting expenditure has been massively financed by government contributions⁵. This may imply that such wage replacement measures have changed their rules and they could be considered a *different scheme* if separate accounts exist for the new intervention.

Such a scheme could still be regarded as serving the *unemployment function*. It is important to note, however, that in certain countries some of those unable to meet eligibility criteria for unemployment benefits may instead be covered by *income support* which is more broadly targeted to “people with insufficient resources” (§81, part II) and belongs in the social exclusion n.e.c. function⁶. Note also that COVID-19 related interventions for employees are generally non means-tested. Beneficiaries are covered even if they or their household have other sources of income than wages providing them with sufficient resources, while income support interventions in the social exclusion n.e.c. function are generally means-tested (see 85A and 85B, part II).

Recording recommendation:

- Support for employees made redundant in the form of *unemployment benefits* is included in the unemployment function → full unemployment benefit (1160111)
- Support for employees subjected to reduced/zero working hours is recorded in the *unemployment function* → partial unemployment benefit (1160112)
- Support for employees made redundant in the form of means-tested *income support* to people with insufficient resources are recorded in the *social exclusion n.e.c. function* → *income support* (1182111).

B. SUPPORT FOR CORPORATIONS

ESSPROS excludes payments to enterprises from social protection expenditure, in particular *subsidies on production*⁷. Therefore, transfers to the corporation sector are generally excluded from ESSPROS⁸.

However, in some cases, COVID-19 related transfers to corporations may include an agreement or obligation for the beneficiary corporation to *keep employees on the payroll* despite their working hours having been reduced (potentially to zero). In this case, the situation is, in practice, the same as that described under point 4A above as the employees receive benefits in the form of the continued payment of wages during the time they are not working. From this viewpoint, the corporations can be seen as acting as an *intermediary* on behalf of the

⁵ See p. 2 in https://ec.europa.eu/eurostat/documents/10186/10693286/GFS_draft_note.pdf.

⁶ The extent to which employees made redundant rely on income support instead of on full unemployment benefits will depend on the organisation of the social protection system and the changes enacted at national level to respond to the impact of the COVID-19 pandemic. For example, in Spain, a planned implementation of a national minimum income scheme (the minimum vital income) was accelerated to respond to the COVID-19 crisis and improve coverage for those lacking resources to cover basic needs.

⁷ See §93 and §115C of part I and §64 of part II. Subsidies on production are not fully defined in the ESSPROS manual, which seems to implicitly make reference to national accounts definitions (see ESA 2010 §§4.30-4.40). In particular, *other subsidies on production* (D.39) are relevant for the case discussed here. These are defined as “subsidies which resident producer units may receive as a consequence of engaging in production” (§4.36) and include in particular “subsidies on payroll or work force i.e. subsidies payable on the total wage or salary bill, or total work force” (§4.37a).

⁸ Other types of enterprises (self-employed and unincorporated enterprises) belonging to the household sector rather than to the corporation sector are considered below.

government in favour of the employees⁹. Effectively, the real beneficiary is the employee and not the corporation, and the value of the transfer made to the corporation corresponds to that of the benefit granted to the beneficiaries. In contrast, where no such agreement or obligation exists, the corporation could use the funds to subsidise wages without reducing working time, there would be no social benefit for the employees and the real beneficiary is the corporation.

Therefore, depending on which interpretation is adopted, support for corporations could be classified as *other subsidies on production* (excluded from ESSPROS) or as *social benefits for the amount of continued employees' compensation*. In the case of the latter these would be reported under the unemployment function according to point 4A.

The level of discretion retained by corporations in the use of funds appears to be a decisive criterion for considering these transfers within (social benefits) or outside (subsidies) the scope of ESSPROS¹⁰ - i.e. whether the transfer has to be used for the continued payment of wages during the time not worked (i.e. time effectively spent unemployed) or not. This may be explicit in the rules of the assistance but could also be implied by the conditions upon which the assistance is granted.

It is important to note that in the case of transfers to corporations, consideration of the rules of the benefit are vital for identifying the correct treatment. It is not uncommon for the term 'wage subsidies' to be misleadingly used to refer to cases which constitute assistance for the continued payment of wages during the time not worked.

Recording recommendation:

- Transfers received during the imposition of restrictions to working hours are recorded as *social benefits* in the *unemployment function* if corporations are required to use these for the continued payment of employee wages during time not worked (i.e. no discretion to use the funds for alternative purposes) → partial unemployment benefit (1160112).

C. SUPPORT FOR SELF-EMPLOYED

Self-employed persons are not mentioned in the parts of the ESSPROS manual dealing with definitions and classifications of social protection benefits, but only in the parts dealing with scheme classifications and receipts. Therefore, ESSPROS does not define any benefit as being specific to self-employed. On the other hand, *partial unemployment benefits and redundancy compensations* in the unemployment function are defined as only for current or former employees (respectively).¹¹

The remaining cash benefits in the unemployment function do not necessarily qualify potential beneficiaries as former employees. Therefore, if self-employed cease their enterprise, they become eligible for unemployment benefit, except partial unemployment and redundancy compensation, under the same conditions as any unemployed.

⁹ See §138 of part I, on the "recognising the principal party" accounting principle.

¹⁰ This criterion for identifying subsidies is the main one applied in the draft national accounts guidance described more in detail in section below.

¹¹ Most self-employed may be considered to effectively pay themselves a wage and might, therefore, be considered simultaneously as employer and employee. An exceptional (for COVID-19) flexible interpretation of the category of partial unemployment benefits might allow for them to be covered here.

On the other hand, it can be argued that self-employed obliged to reduce their activities because of COVID-19 restrictions without ceasing their enterprise would instead receive transfers in their capacity as entrepreneurs (i.e. as a consequence of engaging in production)¹².

However, if eligibility and/or transferred amounts are based on evidence of trading income over the previous x months or on activities having been formally suspended/reduced by government mandate (implying an impact on trading income), then this could be regarded as compensation for *loss of income from employment* and therefore of the same nature as compensation for employees¹³. Transfers designed for other objectives, such as the coverage of fixed costs (rents, execution of other existing contracts, etc.), should be excluded.

Recording recommendations:

- for (former) self-employed who have ceased their enterprise: refer to the recommendations given in point 4A (support for employees) → full unemployment benefit (1160111);
- for self-employed that reduce their activity without ceasing their enterprise: record benefits in the *unemployment function* when eligibility and/or amounts depend on income loss or on activities having been suspended/reduced by government mandate → partial unemployment benefit (1160112).

D. SUPPORT FOR UNINCORPORATED ENTERPRISES

In the case of unincorporated enterprises (i.e. enterprises that are not a legal entity distinct from their owners) it is common for their owners to work in the enterprise alongside a limited number of employees.

The treatment of support for *employees* of unincorporated enterprises by a social protection scheme is already covered in point 4A. In case benefits to employees are channelled through conditional transfers to unincorporated enterprises, it is natural to treat this in the same way as described above for corporations under point 4B.

Proprietors working in the enterprise are treated, for classifying COVID-19 related interventions, as self-employed persons and transfers they receive classified in the same way as those for self-employed¹⁴. Therefore, for proprietors of unincorporated enterprise, the same recording approach as explained in point 4C applies.

E. OTHER COVID-19 RELATED MEASURES FOR EMPLOYEES, NOT IN THE UNEMPLOYMENT FUNCTION

These include the following, for which recording in ESSPROS seems straightforward:

- COVID-19 related *parental leave* such as that granted to parents of children quarantined because of COVID-19, affected by COVID related school closures or not

¹² See footnote 7

¹³ In practice it could be difficult to distinguish cases where the business activity has actually ceased or self-employed are operating in a reduced capacity. Cancellation from relevant public registers of activity could be a criterion for determining business termination.

¹⁴ In favour of this conclusion, one could see self-employed as being unincorporated enterprises with zero employees. National accounts follow this approach. Both categories are classified in the same way, as producers, in the households sector rather than in the corporation sector (see ESA 2010, §§ 2.120 and 2.122). For corporations, gross operating surplus accrues to the corporation sector, but its equivalent ('mixed income') for own-account workers and unincorporated enterprise accrues to the households sector.

able to participate independently in home-schooling. These are to be reported as cash benefits in the *family/children function* → parental leave benefit (1150112 or 1150122).

- Other specific cases of paid leave such as care leave for family members other than own children should be reported in the *disability function* or *old age function* → assistance in carrying out daily tasks (1120202 or 1130202).
- Benefits provided to health care workers in the event of COVID-19 as *occupational disease benefits* may range from sickness cash benefits to health care provision, from rehabilitation benefits to disability pensions. These benefits will be mainly included in the *sickness/health care* and *disability* functions (§7, part II) → detailed classification depends on purpose of the benefit.
- *Paid sick leave* for COVID-19: to be classified as cash benefit in the *sickness/health care function* → paid sick leave (1110111)
- Support for workers subjected to quarantine and isolation: Workers who are quarantined and self-isolating due to possible contact with a person infected with COVID, or shielding themselves and others from infection, may receive temporary support during the period they are unable to work. Such arrangements are applied for health reasons and are typically organised and monitored by the public health authority. → paid sick leave (1110111)

5. Support for household consumption expenditure

These measures normally take the form of social protection benefits in kind, as reimbursements or 'coupons' granted to households to buy specific goods and services. This support may or may not cover goods and services included in ESSPROS functions.

Recording recommendations:

A. SUPPORT FOR EXPENDITURE ON FOOD AND OTHER NECESSARIES

- to be recorded in the *social exclusion n.e.c.* function as benefits in kind (§85 of part II) → other benefits in kind (1180203).

B. SUPPORT FOR HOUSING EXPENDITURE

- means tested benefits to be recorded in the *housing* function as benefits in kind (§77 of part II)¹⁵ → detailed classification depends on purpose of the benefit.

A related issue is if support for energy, heating and other utilities should be classified in the housing function or in the social exclusion n.e.c. function. §85 refers for the social exclusion n.e.c. function to "basic goods and services" and provides examples such as food, clothing, fuel.

C. SUPPORT FOR CHILDCARE EXPENDITURE

- to be recorded in the *family/children* function as benefits in kind (§58 or §60 of part II) → child day care (1150201).

¹⁵ Includes support for housing mortgages, see §79, part II.

D. SUPPORT FOR NON-ESSENTIAL CONSUMPTION AND FOR GENERIC CONSUMPTION EXPENDITURE

The distinction between necessary and non-necessary expenditure may present some borderline cases, but consumption expenditure such as tourism is clearly to be considered non-necessary and outside the ESSPROS scope. In other cases, general support for consumption expenditure may be provided - i.e. without identification of the types of goods and services covered.

- support for non-essential consumption and for non-specified consumption expenditure should be excluded from ESSPROS social benefits.

6. Administration costs

Increased use of *social benefits* to respond to the impact of the COVID-19 crisis, can be expected to be paired with increased expenditure on administration costs for the social protection schemes providing them. This may stem from increases in costs of “*registration of beneficiaries, collection of contributions, administration of benefits, inspection, reinsurance, financial management and general overheads*” (§102A, part I). Furthermore, efforts to better respond to the impact of the crisis may have led to changes to existing social protection schemes and their administration thus giving rise to changes both in the composition and size of administration costs of schemes.

Recording recommendation:

- The impact on administration costs should be evaluated and taken into account.

7. Receipts

In the context of COVID-19 related policy measures, some governments have postponed the time-limits for the payment of social contributions (*deferral* of social contributions) or granted *reductions* or full *exemptions* from such payments.

For time of recording ESSPROS requires social contributions to be reported on an accrual basis (§132, part I) and specifically mentions employers’ social contributions as an example, informing that these are “recorded at the time the work that gives rise to the liability to pay the contributions is done”.

Eurostat recently reviewed methods for collecting data on social contributions, in order to clarify the types of data sources used to compile data on social contributions (e.g. cash data, assessment/declaration data, ...etc.) as well as the nature of any adjustments applied to these data, in particular *time adjustment of cash data* and the treatment of contributions that are *unlikely to be collected* when assessment/declarations are used¹⁶. The main conclusions of the Expert Group were that: 1) Social contributions are to be recorded net of the part unlikely to be collected. 2) If social contributions data are collected from cash receipts, they should be time adjusted by estimating the average difference between the time the work that gives rise to the liability to pay the contributions is done and the cash receipt, if such difference exists.

¹⁶ See DOC_SP-2020-03.05 on *Social contributions reporting basis*, presented to the Social Protection Working Group of May 2020.

Where a *deferral* is granted for the obligations to pay social contributions, the average difference between the time of the liability to pay the contributions and the cash receipt is liable to increase. When assessment/declarations are used, there will be no such an impact. However, the impact on the amounts of contributions unlikely to be collected should be evaluated.

Recording recommendations¹⁷:

- If cash data are used to collect data on social contributions, recorded social contributions should be adjusted to take account of the impact of the deferral on the difference between the time of the liability to pay the contributions and the cash receipt.
- If assessments/declarations are used to collect data on social contributions, the possible impact on the amounts unlikely to be collected should be evaluated and taken into account.

In the case of *reductions* or *full exemptions*, for certain categories, to social contributions, the primary impact on the ESSPROS receipts will be a reduction in the amounts of social contributions recorded. Where the corresponding social protection rights are maintained, this reduction could be counteracted by an increase in receipts in the form of government contributions for the schemes concerned.

This represents a difference in treatment relative to national accounts where the full value of such deductions is recorded as a subsidy on production to employers while employers' social contributions are recorded gross of these deductions. For this reason, national accounts may record a higher value for employers' social contributions¹⁸.

Generally, the fact that receipts of social protection schemes providing COVID-19 related interventions can be expected to include additional government contributions could be exploited to provide a relatively simple means of identification of the additional resources allocated by governments to COVID-19 related interventions.

8. Links with national accounts and with other domains of social statistics

Guidance on the statistical treatment of COVID-19 related policy measures has been elaborated in the context of national accounts, most notably for Government Finance Statistics.

The national accounts discussion and guidance has been an important input into the formulation of guidance for ESSPROS. Indeed, some of the arguments developed in this document have drawn from existing national accounts guidance.

For categories I (health care benefits) and III (support for consumption expenditure) no important differences with national accounts seem to emerge. For measures supporting enterprises to retain their employees on reduced (possibly zero) working hours, draft national accounts guidance has concluded that they "should not be recorded as social insurance benefits (D.621/D.622) nor as capital transfers (D.99) but should be recorded either as

¹⁷ Similar recommendations have been adopted in national accounts (see in particular pp. 8-9 in https://ec.europa.eu/eurostat/documents/10186/10693286/GFS_draft_note.pdf).

¹⁸ This case is discussed in the annex to document DOC SP-2019-08.03, point 5.1.4 f).

- subsidies on production (D.39) to employers. In the accounts of the employers, compensation of employees (D.1) should continue to be recorded; or as
- current transfers, either as social assistance benefits D.623 or other current transfers D.75

The recording to be chosen may depend on the actual detail of the scheme in question (e.g. degree of discretion held by corporations) and on the choice followed in employment statistics¹⁹. This aligns with the approach proposed for ESSPROS, except for the possibility of treating them as ‘other current transfers’ (D.75). The additional clarification given here, based on work by the ESSPROS Task Force on the topic of subsidies, is that only assistance for the continued payment of wages in relation to time *not worked* constitutes a social benefit, while any assistance for covering the costs of remuneration of employees (i.e. payments in exchange for *time worked*) or other costs are subsidies.

In this context, it should also be noted that other subsidies on production could be receivable not only by market producers (enterprises) but also by non-market producers (government and NPIs)²⁰. If this is the case, valuation of benefits in kind of non-market producers belonging to ESSPROS functions could be impacted by the deduction of such subsidies (see §124 of part I).

Another specific point of the national accounts discussion that is relevant for ESSPROS concerns the question of whether the COVID-19 pandemic should be treated as a *natural disaster*. ESA 2010 §4.105 excludes from social benefits transfers made to households in response to natural disasters, which are treated as “other current transfers” (D.75). The ESSPROS manual implicitly includes such transfers in social protection benefits in the function social exclusion n.e.c., unless they are “small scale” or “informal” (§80 of part II).

Links and differences with national accounts will continue to be analysed in more depth, furthering the work already initiated by the ESSPROS Task Force. Similarly, links and differences with other domains of social statistics are worth investigating, following an approach similar to the one used with national accounts. Other relevant domains include SHA, EU-SILC, LFS and possibly LMP (DG EMPL). Coordination with the OECD work in this field also seems important.

9. Separate identification of COVID-19 related interventions

It could be desirable to record social benefits linked to COVID-19 related measures in *different new scheme(s)*, even where similarly defined schemes pre-existed. This would facilitate quantification of the impact and would be analogous to the option adopted for payable tax credits. However, this requires the existence of separate accounts.

Another approach would be to identify COVID-19 related expenditure *within existing schemes*, which may similarly require estimation. This could be achieved using a specific and temporary ad-hoc data gathering exercise on COVID-19 related benefits, complementing the Core System

¹⁹ See p. 8 in https://ec.europa.eu/eurostat/documents/10186/10693286/GFS_draft_note.pdf.

²⁰ See ESA 2010 §4.36 “For their non-market output, non-market producers can receive other subsidies on production only if those payments from general government depend on general regulations applicable to market and non-market producers as well”. Temporary suspension for COVID-19 restrictions of public services considered non-essential would probably fall in such general regulations.

data collection.

Finally, identification *using receipts* of social protection schemes, specifically COVID-19 related government contributions, could be another option offering the possibility to estimate total resources by scheme allocated by governments to COVID-19 related interventions (see section 7).

Regardless of the approach possibly adopted to identify as much as possible COVID-19 related interventions, qualitative information should play a very important role in helping Eurostat and users to identify the schemes and/or the detailed benefits connected to this topic²¹.

Feedback on these approaches from the ESSPROS Expert Group has suggested that many countries anticipate difficulties quantifying COVID-19 related provision of pre-existing schemes and separating this out in the data. Indeed, ability to separate data is likely to be source dependant. It could be possible to separate expenditure for the most significant types of COVID-19 related interventions. It has also been noted that most of the change in expenditure between 2019 and 2020 can be attributed to COVID-19 and that simply comparing data between years may provide a rough quantification of COVID-19 related intervention. Eurostat may propose a common way forward for a simplified identification of main COVID-19 related interventions in the context of the Core System future data collections in relation to reference years 2020 and 2021.

10. Conclusion

This document identifies three broad categories of public intervention adopted in response to the COVID-19 pandemic and makes recommendations for recording of social benefits in ESSPROS in order to implement a common approach in terms of scope delimitation and breakdown by function, and to ensure data comparability. The table included as Annex of this document summarises these recommendations. Further, the document makes recommendations related to the recording of administration costs and receipts (specifically social contributions).

²¹ From an operational point of view, the use of the standardized keyword 'COVID-19', rather than other possible variants, is recommended.

ANNEX - SUMMARY TABLE FOR EXPENDITURE, FUNCTIONS AND RECORDING OPTIONS

Category	Type		Recording options		
I. Health care	a) Preventive care	Vaccines	sickness/health care function → out-patient care other than pharmaceutical products (1110222 or 1110224)		
		Testing: large-scale (preventive) and individual (diagnostic)	sickness/health care function → out-patient care other than pharmaceutical products (1110222 or 1110224)		
		Personal protection equipment (e.g. Masks)			
		- free provision to individuals	sickness/health care function → out-patient care other than pharmaceutical products (1110222 or 1110224)		
		- provision by employers			excluded (safety at work)
		- free provision by government to employees in certain services		intermediate consumption of social protection services providers	
	b) Capital formation				excluded, but consumption of fixed capital included

Category	Type		Recording options		
II. Support for household income related to employment	a) Employees	Unemployment benefits for redundant employees	unemployment function → full unemployment benefit (1160111)		
		Income replacement for employees subjected to reduced/zero working hours	unemployment function → partial unemployment benefit (1160112)		
		Income support (means-tested)	social exclusion function → income support (1182111)		
	b) Corporations	Continued compensation of employees on short/zero hours	unemployment function → partial unemployment benefit (1160112)		
	c) Self-employed	Support based on evidence of previous trading income or on activities being suspended/reduced by government mandate	unemployment function → partial unemployment benefit (1160112)		
		Support designed for other objectives (rents, etc.)			excluded (subsidies)
	d) Unincorporated enterprises	Continued compensation of employees on short/zero hours	treat as employees of corporations (see point b)		
		Support based on evidence of previous trading income	treat as self-employed (see point c)		
	e) Other benefits to employees	Parental leave	family/children function → parental leave benefit (1150112 or 1150122)		

Category	Type		Recording options		
		Other special care leave	old age or disability function → assistance in carrying out daily tasks (1120202 or 1130202)		
		Occupational disease benefits	sickness/health care or disability function → detailed classification depends on purpose of the benefit.		
		Paid sick leave	sickness/health care function → paid sick leave (1110111).		
		Support for workers subjected to quarantine and isolation	Sickness/health care function → paid sick leave (1110111).		
III. Support for household final consumption	a) Food and other necessities		social exclusion n.e.c. function → other benefits in kind (1180203)		
	b) Housing expenditure		housing function → detailed classification depends on purpose of the benefit.		
	c) Childcare		family/children function → child day care (1150201).		
	d) Non-essential or unspecified consumption expenditure				excluded