

Glossary: Compensation of employees

Statistics Explained

In **national accounts ; compensation of employees** (D.1) is defined as *the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during an accounting period.* (ESA 2010, paragraph 4.02)

Compensation of employees consists of wages and salaries in cash or in kind (D.11) and employer's actual and imputed social contributions (D.121 and D.122).

Under the terms of BPM6 § 11.17, **compensation of employees** has three main components: wages and salaries in cash, wages and salaries in kind, and employers' social contributions. Compensation of employees is recorded when the employer (the producing unit) and the employee are resident in different economies. Cross-border employees include seasonal or short-term workers (less than one year) and border workers who are residents of one economy and work in another economy. Nonresidents who are employed as domestic helpers or housekeepers (for less than one year) by resident households are also treated as nonresident employees. Because embassies, consulates, military bases, and so forth are considered extraterritorial to the economies in which they are located, the compensation receivable by local (host country) staff of these institutional entities is classified as payable to resident entities by nonresident entities. Compensation receivable by employees from international organizations, which are extraterritorial entities, represents receipts from nonresident entities.

Related concepts

- [Social contributions](#)
- [imputed social contributions](#)

Further information

- [ESA 2010](#)
- [Balance of Payments Manual, 6th edition, IMF 2008](#)

Statistical data

- [National accounts and GDP](#)
- [Balance of payments statistics](#)