

**Comments on draft SNA chapter:
Chapter 8: The redistribution of income accounts**

**Deadline for comments: 12 March 2007
Send comments to: sna@un.org**

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Submission date:	12 March 2007

This three-part template allows you to record your comments on draft chapter 8 easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

Save this template and send it as an attachment to the following e-mail address:
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Part I: General comments

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated (30 words or less).

Comment:

Click here and start typing.

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 8, you may wish to devote particular attention to the passages listed below. There is space after each issue for any comment you wish to make.

1. The title of the chapter has been changed from “The secondary distribution of income account” to “The redistribution of income accounts.” The new title reflects that the chapter also covers the redistribution of income account. This change is followed

through in the first three paragraphs of section. Are you comfortable with the change in title? Are these paragraphs clear and helpful?

Comment:

Yes

2. In section B, the discussion of transfers has been extended. Is this discussion clear and helpful?

Comment:

Click here and start typing.

NOTE: In sections E and F at present relate only to pensions. There is discussion on other social insurance benefits in chapter 17. Eventually, some of the implications will be incorporated in chapter 8 (but leaving the main discussion in chapter 17).

3. In section E, the text on social contributions has been amended. Please see the note from the editor on the classification of social contributions as regards self-and non-employed persons. Do you agree that what is proposed is more practicable than what had been included in the 1993 SNA?

Comment:

Comments on section D and E
8.68-8.70

The definition of social security schemes needs to be elaborated to be useful for classifying actual cases. Governments in several countries have reformed the social security schemes so that there is a more direct link between premiums and benefits especially when it comes to pensions and thereby making the government costs more predictable.

If there is a sharp distinction between legally founded systems and employment-

related negotiated systems, so that the former are social security whereas the latter are social insurance schemes, this should be emphasized in the paragraph. The criteria for separating these main types of systems should be made explicit to reduce uncertainty in classifying a system.

What is really meant with the concept controlled? What is being controlled? Premium payments, the benefits or the general conditions of the pension system? What is meant by controlled has a decisive impact on how to classify the government unit as part of the Social security sector or as a social insurance scheme.

So, instead of retaining the old description we would be more helped with a description which is up to date, i.e. takes into consideration the new forms of social security/insurance schemes developed in the last 20 years.

8.73-8.75

There is a contradiction between the text in paragraph 8.73 and paragraphs 8.74-8.75. D61 Employers' social contributions with the fee excluded cannot be *exactly the same* as D12 Employers' social contributions. This is a case of potential misunderstanding and should be avoided. The difference between these two items is the income households receive to be paid as insurance fees and end up as part of household consumption expenditure.

4. Section G includes text added for reinsurance, standardised guarantees, and new items for personal transfers and remittances from abroad. The last are in line with new BOP items. Do you have any comments?

Comment:

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5. Section G, in paragraph 8.106, describes the SNA treatment of lotteries and gambling. An endnote mentions that those working on the BOP Manual query this treatment because some very big payouts are made in the form of annuities such that there are

financial claims and liabilities existing between winners and the lottery organizers. This issue will be brought to the AEG meeting in late March. Do you have views?

Comment:

Click here and start typing.

Part III. Other specific comments

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comments directly on the PDF of the draft chapter.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make very detailed comments please send a message to sna@un.org requesting to receive a version of the draft chapter permitting you to comment. To optimize your commenting tools please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>