



United Nations Statistics Division  
New York

Neuchâtel, 16 March 2007

Our Ref: 31.250.506-112 / LEL - MDP  
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## **Comments on draft SNA chapter Chapter 8: The redistribution of income accounts**

### § 8.5 Current vs. capital transfers

We feel that the proposed definitions of current transfers and capital transfers do not make clear enough the difference between the two types of transfers. The ESA95 definition of capital transfers provided in § 4.145 could be a source of inspiration.

### § 8.13, § 8.67 and § 8.78-8.86 Different types of social insurance schemes

It seems to us that the definition of the different types of social insurance schemes (social security schemes and employment-related schemes) does not take into account the circumstances where social insurance is managed by insurance enterprises independently of an employer-employee relation. This happens in Switzerland where health-insurance is obligatory by law for the entire community, but is managed by private funds, which are not financed or controlled by government and where each participant has to take out policies in its own name. According to proposed § 8.60, such a case should be treated as social insurance. Yet, this scheme is neither a social security scheme, nor an employment-related scheme (see § 8.67). In the SNA93, there are three main types of social insurance schemes (social security schemes, private funded schemes and unfunded schemes). As far as private funded schemes are concerned, two categories may be distinguished: (i) insurance enterprises or autonomous pension funds, and (ii) non-autonomous pension funds. The SNA93 definition of social insurance schemes makes it possible to classify the Swiss health-insurance as a private funded scheme, which does not seem to be the case with the proposed new SNA definition. We therefore ask for an extension of the proposed new definition of the different types of social insurance schemes to cover: (i) social security schemes, (ii) employment-related schemes and (iii) other private social insurance schemes. Other private social insurance schemes should in addition be defined as follows: "Other private social insurance schemes are schemes other than employment-related schemes, in which the social contributions are paid by the policyholders to insurance enterprises, which are responsible for managing the schemes and paying the social benefits. These schemes cover especially

individual insurances covering the eventualities or circumstances listed in paragraph 8.60 and for which the participation in the scheme is obligatory by law for the entire community or a specified category of it.”

#### § 8.71 Service fee

We suggest adding that the service fee may also result from the equation: actual contributions earned plus imputed contribution supplements less benefits due less changes in pension reserves.

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