Generic information

Name of survey: Law Model
Main objective: The Law Model is used by the Ministry to assess the impact of new legislation and for analysis, notably when calculating income distribution and poverty lines.
Structure of data source: The Law Model is a comprehensive individual-level database resulting from the application of microsimulation models to information extracted from administrative records.
Frequency: Annual (since 1978, but information before 1983 is scarce).
Survey year / Wave: 2007 (status information refers to 1 January 2008 - or as close as possible to it - and flows refer to the calendar year 2007).

Coverage: Theoretically the entire Danish population and territory (without Greenland and Faroe); in practice a small number of persons/families had to be excluded:
- persons whose income has not been tax assessed;
- persons that are only taxable for part of the calendar year, so that there is no complete information about their yearly incomes;
- children below 18 years not living with their parents;
- some of the persons that have become widow/ers during the year (for technical reasons concerning the separation of taxes between the deceased and his/her spouse).

Sampling:
Sampling procedure: Random sample of all Danish households on January 1st 2008; all individuals belonging to the selected households are in the final population. Sampling frame: administrative population file.
Sample size: The sample represents 1/30 of total population (approximately 179,000 individuals, including 30,000 children without income of any kind).

Collection:
Collection period: The formation of a new model population typically commences 2-3 months after the turn of the year and a period of 1½ years normally elapses from the start of the formation of a specific model population until all relevant information is added to the model population.
Collection mode: Administrative records.
Description of instruments: Technical exercise where different statistical registers are being merged, and the information is extracted without making any use of questionnaires; for some items not available in the registers, microsimulation techniques are used instead. Registers used:
- Population statistics register (person- and family information)
- Education statistics register (education)
- Register based Labour Force Survey RAS (labour market attachment)
- Unemployment statistics register CRAM (unemployment)
- Income statistics register (income and taxes)
- Salary statistics register (salaries)
- Sick benefit statistics register (sickness and maternity benefits)
- Unemployment benefit register DUR (unemployment benefits)
- Pension statistics register (public pensions)
- Register for personal allowances to pensioners (personal allowances to pensioners)
- Register for payments to pension schemes (payments to pension schemes)
- Child benefit register (child benefits)
- Cash benefit register (cash benefits).

Definitions:
Household: There are two units in the original data:
- A D-family is composed of a married couple or a non-married couple (for non-married couples the age difference is of maximum 15 years), with or without children under 18;
- A household is composed of all the individuals who share the same address; it may contain several D-families; children of 18 years and above still living in the home of the parents are included in the household, whereas elderly parents living in the house of their children are treated as a separate household.
Note: LIS has used the household as the unit for its household file.
Household head: The data provider defined the head of a D-family as the male in a married couple or the eldest person in a same-sex couple. No head was specified in D-families without (married or same-sex) couples.
Note: LIS defined the household head as the head of the largest D-family if available, otherwise as the oldest person within the largest family.

Data quality aspects:
Non-response error: No non-response burden - only data from administrative registers are used.
Item non-response / imputation burden: No item non-response/imputation burden - only data from administrative registers are used.
Weighting: Unitary weight. The random sample is self-weighting, and representative at both the personal and household level.

Labour market information:
Eligibility: No such concept (any person, independently of the age, can be included in the register(s) corresponding to his/her labour market situation).
Employment:
- different employment concepts: labour force status at a given point in time (following the declarations of the employers);
- main activity during the year: a person is a wage earner if he has wage income (over the year) above a certain rather low cut-off level (around EUR 6,500 in 2007).
- Two sets of job characteristics variables: those referring to the job held in the last week of November (of 2007), and those referring to the job from which the highest income was received during 2007.

Income:
Reference period: Calendar year 2007.
Unit of collection: Individual (mostly from the Income statistics register, which is based on personal tax declarations, and a few benefits come from specific registers, e.g. the register on sickness / maternity benefits, and other registers from the body that pays out the benefits, the child register for family allowances).
Taxes and contributions: All amounts are reported gross, and the value of both taxes and social contributions are also available.
Restrictions: Some non-taxable incomes cannot be identified in the register data; of these, some (such as the alimony) have been simulated, others (such as lump-sum payments and some supplements to the pensions) were not included.

Additional remarks:
Source: Data provider.