The Government Sector & Harmonized Treatment of Pensions

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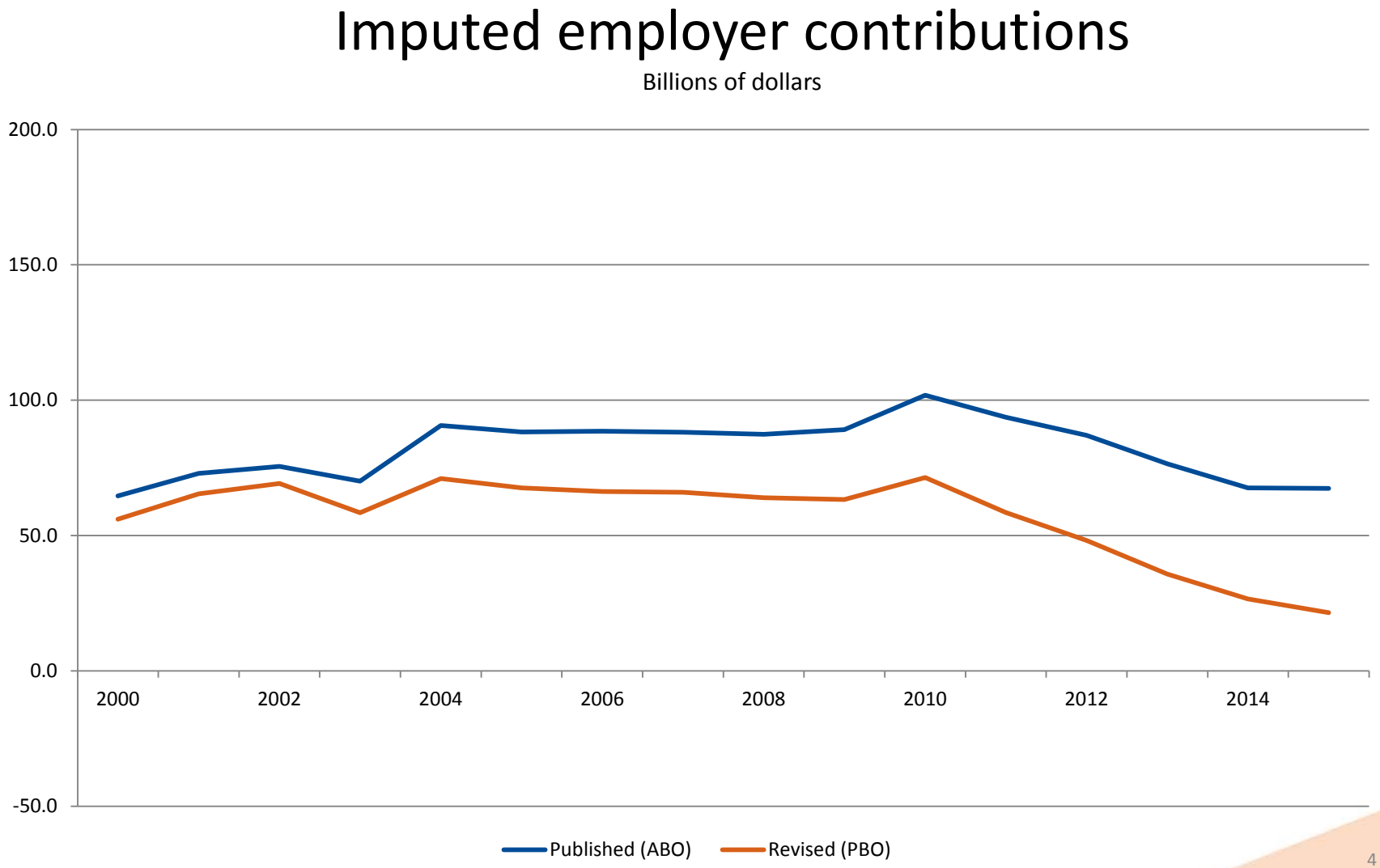
2018 Improvements

- Harmonized treatment of government pensions
- Classification of Federal Reserve payments to the U.S. Treasury
- Consistent time series for structures investment and fixed assets

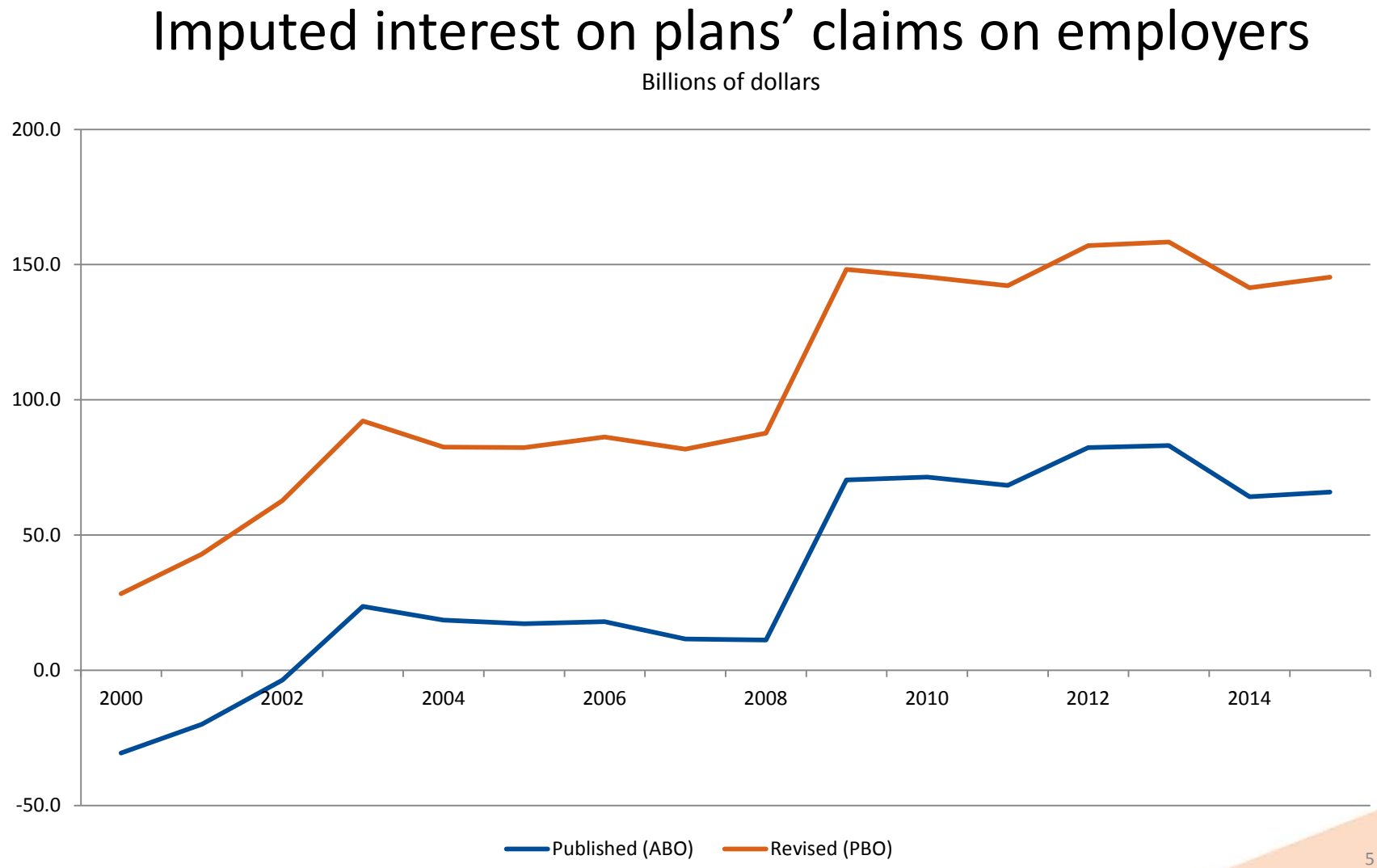
Harmonized treatment of government pensions

- 2013 Comprehensive Revision of the NIPAs incorporated an accrual treatment for pensions
  - Accumulated Benefit Obligation (ABO)
    - Private
    - State and local
  - Projected Benefit Obligation (PBO)
    - Federal
- 2018 Comprehensive Update
  - Switch state and local from ABO to PBO
  - Impacts 1929-present
    - Imputed employer contributions (compensation)
    - Imputed interest on plans' claims on employers

Impacts on compensation



Impacts on interest payments



Federal Reserve payments to the U.S. Treasury

- NIPAs
  - Federal Reserve is a financial corporation
  - Payments to the government: Taxes
- System of National Accounts
  - Central bank is always treated as being controlled by government
  - Classified as a financial *public* corporation
  - Payments to the government: Dividends
- Data provided to the OECD and IMF
  - Payments to the government: Dividends

Federal current receipts: Published

		2014	2015	2016
1	**Current receipts**	3288.4	3453.3	3506.1
2	Current tax receipts	1995.0	2149.2	2158.3
3	Personal current taxes	1402.3	1532.7	1553.2
4	Taxes on production and imports	134.6	139.4	137.9
5	**Taxes on corporate income**	**436.6**	**455.1**	**444.1**
6	**Federal Reserve banks**	**96.9**	**110.4**	**86.2**
7	**Other**	**339.7**	**344.7**	**357.9**
8	Taxes from the rest of the world	21.5	22.1	23.1
9	Contributions for government social insurance	1140.9	1189.5	1236.1
10	Income receipts on assets	74.8	49.2	49.2
11	Interest receipts	23.5	26.9	28.5
12	Dividends	40.7	16.1	14.9
13	Rents and royalties	10.6	6.2	5.9
14	Current transfer receipts	86.1	72.7	73.4
15	Current surplus of government enterprises	-8.3	-7.4	-11.0

Federal current receipts: Revised

		2014	2015	2016
1	**Current receipts**	3288.4	3453.3	3506.1
2	Current tax receipts	1898.1	2038.9	2072.1
3	Personal current taxes	1402.3	1532.7	1553.2
4	Taxes on production and imports	134.6	139.4	137.9
5	Taxes on corporate income	339.7	344.7	357.9
6	Taxes from the rest of the world	21.5	22.1	23.1
7	Contributions for government social insurance	1140.9	1189.5	1236.1
8	Income receipts on assets	171.7	159.6	135.5
9	Interest receipts	23.5	26.9	28.5
10	**Dividends**	**137.6**	**126.5**	**101.1**
11	**Federal Reserve banks**	**96.9**	**110.4**	**86.2**
12	**Other**	**40.7**	**16.1**	**14.9**
13	Rents and royalties	10.6	6.2	5.9
14	Current transfer receipts	86.1	72.7	73.4
15	Current surplus of government enterprises	-8.3	-7.4	-11.0

Structures investment: NIPA table 5.9

1929-1997 (5.9A)	1997-present (5.9B)
Buildings	Residential
Residential	Office
Industrial	Commercial
Educational	Health care
Hospital	Educational
Other	Public safety
Highways and streets	Amusement and recreation
Conservation and development	Transportation
Sewer systems	Power
Water systems	Highways and streets
Other	Sewer systems
	Water systems
	Conservation and development
	Other

1929-present
Residential
Office
Commercial
Health care
Educational
Public safety
Amusement and recreation
Transportation
Power
Highways and streets
Sewer systems
Water systems
Conservation and development
Other