

# **Analysis of Exchequer Pay and Pensions Bill**

**2006 - 2011**

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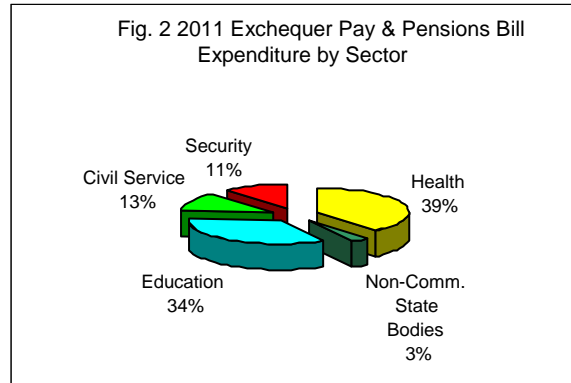
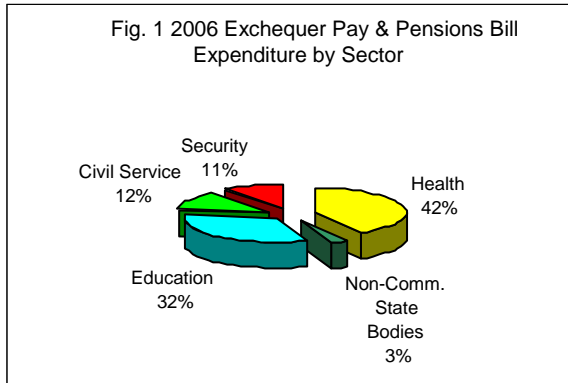
## Review

This booklet examines trends in Net Exchequer Pay and Pensions (the “Pay bill”) since 2006 based on data in the Revised Estimates for 2011. It also includes public service employment data. The booklet is prepared annually and its purpose is to analyse developments in the Pay bill with a view to clarifying the main factors underpinning those developments.

A review of the very significant developments in Public Service Pay from 2009 to 2011 is also included. These developments include the first reduction in pay to public servants since 1933 and a reduction in public service pensions in 2011. Details of developments in the Pay bill since 2006 are shown in the accompanying tables and charts. In summary these are:

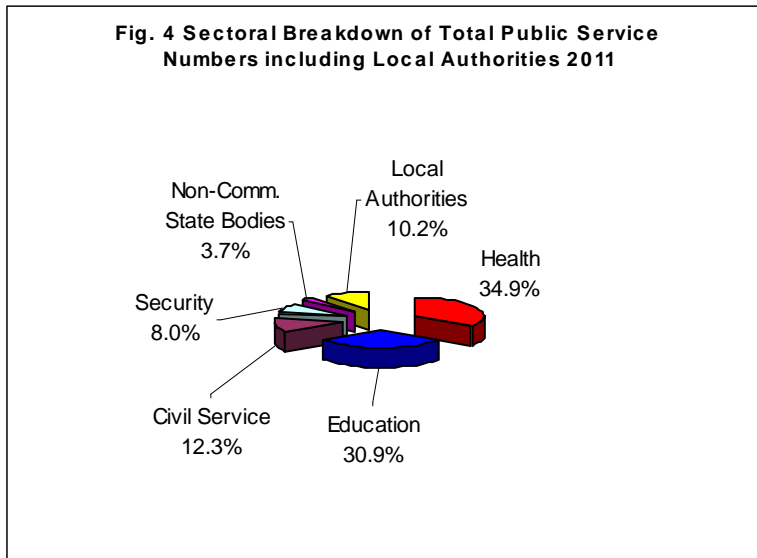
- in the period 2006 to 2011 the net Pay and Pensions bill is projected to increase by 5.6% (Table I);
- in 2011 the pay bill will amount to €14,737m, a decrease of 10.5% over the 2009 figure of €16,471m and of 1.2% over the 2010 figure of €14,941m (Table V). The decrease in the pay bill since 2009 is the result of the impact of the Financial Emergency Measures in the Public Interest (No. 2) Act, 2009 which directly reduced public service pay, the moratorium on recruitment and other measures taken to reduce public service numbers. The reduction in the pay bill has been partly offset by an increase in the pensions bill;
- increases in the pay and pensions bill over the period 2006 to 2011 were due to general round pay increases totalling €1,848m (or 11.4%), the last of which was in 2008. These have been offset by the decreases imposed in 2009/10 and by other reductions in the period of €939m (or -5.8%) (Table III);
- receipts in respect of the Pension Related Deduction were €837m in 2009, €944m in 2010 and are expected to be €916m in 2011;
- from 2006 to 2009 the pay and pensions bill increased as a percentage of both GNP and GDP, reaching 14.1% and 11.6% respectively in 2009, but has reduced to 13.6% and 11.0% respectively in 2011 (Table II);

- the net Pay and Pensions bill as a percentage of net non-capital Exchequer spending has decreased from 49% in 2006 to 41% in 2011 (Table XIII);



- the proportion of the pay and pensions bill accounted for by the different sectors has remained broadly similar over the period. The exception is the education sector pay and pensions bill, which increased over the period by 11.1% (compared to a 3% rise in the rest of the Pay and Pensions bill), and is expected to account for 33.6% of the total pay and pensions bill in 2011 as opposed to 31.9% in 2006. The proportion of the pay and pensions bill accounted for by the health sector has reduced from 41.6% to 39.2% over the period notwithstanding an increase in numbers employed in that sector (Table IV);
- the number of Exchequer-funded public service employees (excluding local authorities) estimated for 2011 is 271,350 (whole-time equivalents), an increase of 13,301 or 5.2% over 2006, mainly in Health and Education (Table IX). This reflects a 3.3% increase in staff in the Health sector and a 11.8% increase in staff in the Education sector over the period;
- public service numbers and pensioners, based on whole time equivalent measurement increased to 377,980 in 2011 from 374,148 in 2010. While serving numbers are estimated to further decrease from a 2010 outturn of 275,183 to 271,390 in 2011, pension numbers

are estimated to increase from 98,965 to 106,590 over the same period (Table XI). Figures are based on end 2010 outturn and 2011 estimate;



- pensions now account for 13.9% of the total Pay and Pension Pay bill, up from 8.8% in 2006. Overall, the pensions bill has increased from €1,433m in 2006 to €2,390m in 2011 representing a 66.8% increase over the period (pay in contrast decreased by 0.3%) (Tables V and VI). The pensions bill has increased by 44% since 2008. This is attributable in part to an increase in retirements from 2009 onwards including those under the Incentivised Scheme for Early Retirement, as well as increased longevity among public service pensioners, and comes notwithstanding the application of a reduction to the pensions payable to public service pensioners in 2011. Pension contributions amounting to €534m are made by serving public servants (Table XIII).

### **Review of Developments in 2010 - 2011**

The overriding development during the period of review (July 2010-June 2011) occurred on 28 November 2010 when the Government agreed to avail of a Programme for Support from the EU Commission and the International Monetary Fund (IMF), in conjunction with the European Central Bank.

The assistance of Ireland's EU partners and the IMF was required because of the high yields prevailing on Irish bonds, which curtailed the State's ability to borrow. Without this external support, the State would not have been able to raise the funds required to pay for key public services for its citizens and to provide a functioning banking system to support economic activity. This support also contributes to the safeguarding of financial stability in the euro area and the EU as a whole.

The conditions governing the Programme are set out in a Memorandum of Understanding and the Government has been working closely with its "Troika" partners to ensure that these conditions are met. The funding is provided in quarterly tranches on the achievement of agreed quarterly targets. The Programme also laid out a detailed timetable for the implementation of the measures contained in the National Recovery Plan.

For the Public Service, the National Recovery Plan provided for a reduction of public service costs through a reduction in numbers and reform of work practices as agreed under the Public Service Agreement 2010-2014, otherwise known as the Croke Park Agreement. Additional measures were also introduced as part of Budget 2011 which included a reduction in existing public service pensions on a progressive basis averaging over 4%, while new public service entrants are subject to a 10% reduction in pay rates.

The above measures were introduced in addition to the existing measures imposed on the pay of public servants under the Financial Emergency Measures in the Public Interest Acts of 2009. These measures provided for the introduction of a Pension Related Deduction from salaries averaging approximately 7% introduced in March 2009 and a subsequent pay reduction averaging over 6% effective from January 2010.

### **Croke Park Agreement**

The Agreement now forms a key part of the Government's strategic response to the economic crisis. Crucially it provides the key delivery mechanism to enable the public service cost reduction targets provided for in the National Recovery Plan 2011-2014, the EU-IMF Programme of Financial Support and the new Programme for Government 2011 to be met. The Agreement was ratified in June 2010 and provided for the establishment of an

Implementation Body comprised of representatives of Public Service Management and Unions with an independent chair. The primary purpose of the Implementation Body is to drive change and report on progress in the implementation of the Agreement to the Government. The first report by the Body to the Government was published in June 2011.

The impact on the Exchequer pay bill of the pay cut and pension related deduction, together with the reduction in numbers and other measures to reduce pay costs as reported by the Implementation Body, has been significant. The Gross Exchequer Pay Bill has reduced from a peak of €17.514bn in 2009 to €15.712bn in 2010, o €14.990bn when the effect of the Pension Related Deduction is taken into account. This represents a 14.4% reduction with an expected reduction on a similar basis to the end of 2011 of at least 15.5%.

The Body also reported that, in the first year of the four-year Agreement, the parties to the Agreement have made solid and measurable progress in meeting their commitments:

- in the period under review April '10 to March '11, numbers have fallen substantially, more quickly than previously estimated, and services have been maintained and in some cases expanded and productivity has increased;
- the cost of delivering public services has fallen in a sustainable way, primarily through reducing headcount across the public service, enabling the State to meet its external economic and fiscal commitments;
- thousands of staff have been redeployed, including across functional boundaries, which helped to meet two challenges - avoiding gaps in service as numbers reduced and changing the way in which public services are delivered to citizens and business;
- the reconfiguration of services has commenced.

The Body has also noted that this progress had been achieved in a climate of industrial peace which contrasted sharply with the months preceding the conclusion of the Agreement.

### **Voluntary Redundancy Scheme and Voluntary Early Retirement Scheme:**

While the Croke Park Agreement provides for no compulsory redundancies in the Public Service, a specific voluntary redundancy/early retirement scheme targeted at support staff in

the Health Service was introduced in late 2010. Applicants were required to cease their employment on or before 31 December 2010. Under these schemes 1,625 (Whole Time Equivalent) or 2,025 people left the public health service. The gross pay bill saving arising from these departures is estimated at €79m in a full year. Costs of the Pension Scheme increased by €14m as a consequence of these schemes while one off costs of €99m for lump sums and statutory redundancy were paid in 2010.

### **Government Commitments on Croke Park Agreement**

Following a Review by Public Service Management and Unions of the “Croke Park Agreement” in the light of the report made by the Implementation Body, the Government reaffirmed its commitments under the Agreement that there will be no further reductions in pay rates for serving public servants and on the non-application of compulsory redundancy (save where existing exit provisions apply).

These commitments are conditional on the ongoing delivery of the flexibilities set out under the Agreement, in particular those relating to cooperation with reduction in numbers, redeployment, cost containment and changes to work practices to improve productivity and maintain public services.

The parties to the Agreement also noted that the EU-IMF Programme of Financial Support for Ireland and the new Programme for Government 2011 contains additional and challenging targets in relation to the public service pay bill and numbers reductions. Following the outcome of the Comprehensive Review of Expenditure currently underway by the Government, the parties will consult on delivery of any matters that are appropriate to be dealt with under the Agreement

### **Financial Measures in the Public Interest Acts.**

Under the legislation which made provision for the implementation of the Pension Related Reduction in March 2009 and the pay reduction measures in January 2010, there is a statutory requirement for the Minister for Finance to review the operation of and the need for the continued implementation of the provisions of the legislation having regard to the overall economic conditions in the State.



Reviews under Section 13 of the Financial Emergency Measures in the Public Interest Act 2009 and Section 7 of the Financial Emergency Measures in the Public Interest Act (No 2) Act 2009 were undertaken by the Minister for Finance and reports on both reviews were laid before the Houses of the Oireachtas at the end of June 2011. Both reviews concluded that, in the context of the continuing very challenging economic and public finance conditions facing the State, the measures imposed by the legislation continue to be necessary.

**New Single Pension Scheme for Public Servants:**

A reform of pension entitlements for new public service employees is set for legislative introduction early in the forthcoming Oireachtas term beginning in September 2011. It will link retirement benefits to average earnings and link pension payments to inflation, and will reduce the long term public pension burden.

**Outlook for 2011 – 2012**

Given the ongoing necessity for the Programme of Support to Ireland from its international partners and the requirement to meet the fiscal and structural targets on which the support is based, the coming year for the public service will also be dominated by the need to achieve an ongoing reduction in the Exchequer pay bill in accordance with the National Recovery Plan and the Programme for Government.

While the most recent quarterly report by the EU/IMF/ECB on the implementation of measures to achieve the targets set in the Programme of Support, indicates that Ireland is well on track and is meeting its commitments, the targets set under the National Recovery Plan and the Programme for Government in terms of numbers reductions in the public service are challenging. The Comprehensive Review of Expenditure now underway will include a full review of how services are delivered providing the scope to achieve further reductions in public service numbers in the coming years. The ‘grace period’ under which the pension entitlements of retiring public servants are calculated in accordance with the pay rate applicable before the pay cuts imposed in January 2010 will expire on 29 February 2012. This offers a substantial incentive for many public servants to retire prior to that date. Accordingly

numbers reductions and development of efficiencies in the administration and delivery of services will again be the dominant features of public service pay policy in the coming year.

<b>(I) Exchequer Pay &amp; Pensions Bill</b>								
Year		2006	2007	2008	2009	2010	2011	2006-2011 increase
<b>Gross*</b>	€m	16,780	18,161	19,353	19,956	18,668	18,636	11.1%
<b>Net</b>	€m	16,218	17,600	18,753	18,478	17,112	17,127	5.6%
<b>% increase/decrease in Net Exchequer Pay &amp; Pensions Bill</b>			8.5%	6.6%	-1.5%	-7.4%	0.1%	

<b>(II) Net Exchequer Pay &amp; Pensions Bill as a Percentage of GDP and GNP</b>								
Year		2006	2007	2008	2009	2010	2011	2006 - 2011 decrease
<b>GDP</b>	€m	177,342	189,374	179,988	159,647	159,939	156,075	-12.0%
<b>Pay &amp; Pensions Bill as a % of GDP</b>		9.1%	9.3%	10.4%	11.6%	10.7%	11.0%	
<b>GNP</b>	€m	154,078	162,853	154,671	131,242	124,863	125,925	-18.3%
<b>Pay &amp; Pensions Bill as a % of GNP</b>		10.5%	10.8%	12.1%	14.1%	13.7%	13.6%	

\* Gross figures include appropriation-in-aid (mainly pension contributions and ESF funding)

### (III) Reasons for increases/decreases in the Exchequer Pay and Pensions Bill

Year	2006	2007	2008	2009	2010	2011	2006-2011 increase
(a) Exchequer Pay and Pensions Bill	€m 16,218	17,600	18,753	18,478	17,112	17,127	
(b) Increase/Decrease over previous year		€m 1,382	1,153	-275	-1,366	15	909
		% 8.5%	6.6%	-1.5%	-7.4%	0.1%	5.6%
(c) Increase due to general rounds	€m	873	715	260	0	0	1,848
	%	5.4%	4.1%	1.4%	0.0%	0.0%	11.4%
(d) Change due to other factors	€m	509	438	-535	-1,366	15	-939
	%	3.1%	2.5%	-2.9%	-7.4%	0.1%	-5.8%

#### Notes

1. The percentage figures at (b) show the overall increase in the Paybill for each year, the cumulative effect of which is 5.6% over the period.

The sum of the percentage figures for each year at (c) and (d) equals

the percentage at (b) for that year but these figures cannot be used to calculate a total increase for each factor over the entire period. The estimated cumulative effect over the period for each individual factor is 11.4% ( general rounds ) and -5.8% ( other ).

<b>(IV) Sectoral Breakdown of Exchequer Pay and Pensions Bill 2006 - 2011</b>							
YEAR							% increase/decrease
	2006	2007	2008	2009	2010	2011	2006 - 2011
Health	€m 6,746	€m 7,229	€m 7,609	€m 7,439	€m 6,855	€m 6,706	-0.6%
Education	5,177	5,696	6,167	6,101	5,672	5,754	11.1%
Civil Service	2,008	2,184	2,310	2,292	2,112	2,151	7.1%
Security	1,760	1,915	2,055	2,052	1,897	1,939	10.2%
Non-Comm. State Bodies	528	574	613	594	575	578	9.3%
<b>TOTAL PAY AND PENSIONS</b>	<b>16,218</b>	<b>17,600</b>	<b>18,753</b>	<b>18,478</b>	<b>17,112</b>	<b>17,127</b>	<b>5.6%</b>
% increase over previous year		8.5%	6.6%	-1.5%	-7.4%	0.1%	

<b>(V) Sectoral Breakdown of Exchequer Pay Bill 2006 - 2011</b>							
<b>(FIGURES INCLUDED IN TABLE (IV) ABOVE)</b>							
YEAR							% increase/decrease
	2006	2007	2008	2009	2010	2011	2006 - 2011
Health	€m 6,480	€m 6,960	€m 7,350	€m 7,109	€m 6,399	€m 6,216	-4.1%
Education	4,637	5,140	5,484	5,305	4,865	4,902	5.7%
Civil Service	1,764	1,917	2,033	1,946	1,730	1,748	-0.9%
Security	1,397	1,534	1,644	1,567	1,433	1,405	0.5%
Non-Comm. State Bodies*	508	549	587	544	486	467	-8.2%
<b>TOTAL PAY</b>	<b>14,785</b>	<b>16,102</b>	<b>17,097</b>	<b>16,471</b>	<b>14,914</b>	<b>14,737</b>	<b>-0.3%</b>
% increase over previous year		8.9%	6.2%	-3.7%	-9.5%	-1.2%	

<b>(VI) Sectoral Breakdown of Exchequer Pensions Bill 2006 - 2011</b>							
<b>(FIGURES INCLUDED IN TABLE (IV) ABOVE)</b>							
YEAR							% increase
	2006	2007	2008	2009	2010	2011	2006 - 2011
Health	€m 266	€m 269	€m 259	€m 330	€m 456	€m 490	84.2%
Education	540	556	683	796	807	852	57.8%
Civil Service	244	267	277	346	382	403	65.2%
Security	363	381	411	485	464	534	47.1%
Non-Comm. State Bodies*	20	25	26	50	89	111	455.0%
<b>TOTAL PENSIONS</b>	<b>1,433</b>	<b>1,498</b>	<b>1,656</b>	<b>2,007</b>	<b>2,198</b>	<b>2,390</b>	<b>66.8%</b>
% increase over previous year		4.5%	10.5%	21.2%	9.5%	8.7%	

\*The introduction of the Financial Measures (Miscellaneous Provisions) Act 2009 required the NCSSB's to provide a more detailed pay/pension split which resulted in a higher pension element

**(VII) Breakdown by Vote of Exchequer Pay Bill - Net**

Source: Table 3A from 2011 Revised Estimates for Public Services

VOTE / DEPARTMENT	2010 Outturn €000	2011 Estimate €000	Increase/ Decrease €000	Increase/ Decrease %
01 President's Establishment	1,509	1,495	-14	-1%
02 Department of the Taoiseach	14,016	14,259	243	2%
03 Office of the Attorney General	10,046	10,768	722	7%
04 Central Statistics Office	33,923	36,648	2,725	8%
05 Office of the Comptroller & Auditor General	8,302	9,367	1,065	13%
06 Finance	33,538	35,918	2,380	7%
07 Superannuation and Retired Allowances	0	0	0	0%
08 Office of the Appeal Commissioners	376	408	32	9%
09 Office of the Revenue Commissioners	275,366	279,298	3,932	1%
10 Office of Public Works	92,270	92,293	23	0%
11 State Laboratory	4,802	5,053	251	5%
12 Secret Service	0	0	0	0%
13 Chief State Solicitor's Office	13,645	14,135	490	4%
14 Director of Public Prosecutions	12,094	13,118	1,024	8%
15 Valuation Office	7,655	7,486	-169	-2%
16 Public Appointments Service	4,590	4,551	-39	-1%
17 Office of the Commission for Public Service Appts.	522	489	-33	-6%
18 Office of the Ombudsman	5,186	5,521	335	6%
19 Justice and Law Reform	134,000	129,296	-4,704	-4%
20 Garda Síochána	955,115	918,795	-36,320	-4%
21 Prisons	225,497	232,389	6,892	3%
22 Courts Service	49,024	47,961	-1,063	-2%
23 Property Registration Authority	25,430	25,912	482	2%
24 Charitable Donations and Bequests	276	357	81	29%
25 Environment, Heritage & Local Government	86,753	87,881	1,128	1%
26 Education and Skills	4,995,658	5,025,698	30,040	1%
27 Community, Equality and Gaeltacht Affairs	47,176	48,558	1,382	3%
28 Foreign Affairs	75,373	73,634	-1,739	-2%
29 International Co-operation	15,209	15,486	277	2%
30 Communications, Energy & Natural Resources	32,718	35,231	2,513	8%
31 Agriculture, Fisheries & Food	262,624	254,565	-8,059	-3%
32 Transport	57,478	52,325	-5,153	-9%
33 National Gallery	5,183	5,538	355	7%
34 Enterprise, Trade and Innovation	170,008	170,787	779	0%
35 Tourism, Culture and Sport	60,057	56,351	-3,706	-6%
36 Defence	491,469	500,834	9,365	2%
37 Army Pensions	94	98	4	4%
38 Social Protection	245,167	245,779	612	0%
39 Health and Children	62,284	62,707	423	1%
40 Health Service Executive	6,399,487	6,215,573	-183,914	-3%
<b>TOTAL :-</b>	<b>14,913,920</b>	<b>14,736,562</b>	<b>-177,358</b>	<b>-1%</b>

**(VIII) Breakdown by Vote of Exchequer Pensions Bill - Net**

Source: Table 4A from 2011 Revised Estimates for Public Services

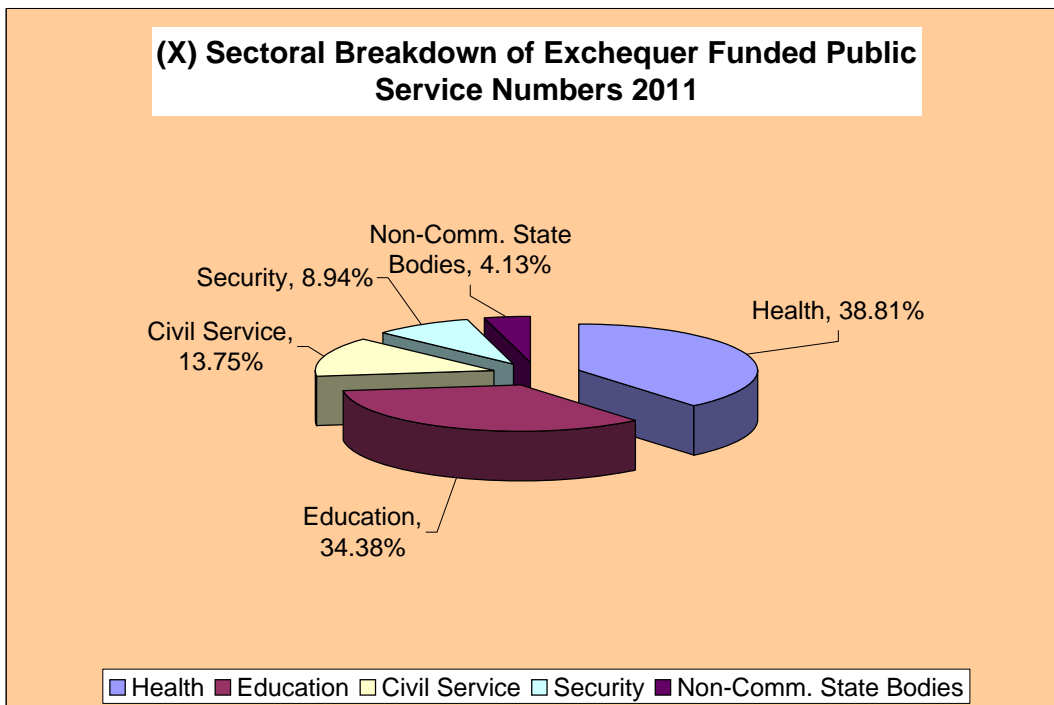
VOTE / DEPARTMENT	2010 Outturn €000	2011 Estimate €000	Increase/ Decrease €000	Increase/ Decrease %
06 Finance	4	4	0	0%
07 Superannuation and Retired Allowances	354,590	367,655	13,065	4%
19 Justice and Law Reform	664	1,033	369	56%
20 Garda Síochána	252,269	332,049	79,780	32%
25 Environment, Heritage & Local Government	4,120	4,135	15	0%
26 Education and Skills	833,701	886,297	52,596	6%
27 Community, Equality and Gaeltacht Affairs	5,620	4,602	-1,018	-18%
30 Communications, Energy & Natural Resources	1,894	2,826	932	49%
31 Agriculture, Fisheries & Food	35,660	43,518	7,858	22%
32 Transport	1,310	1,384	74	6%
34 Enterprise, Trade and Innovation	31,855	44,080	12,225	38%
35 Tourism, Culture and Sport	7,920	9,728	1,808	23%
37 Army Pensions	211,825	201,719	-10,106	-5%
39 Health and Children	772	1,007	235	30%
40 Health Service Executive	455,802	490,151	34,349	8%
<b>TOTAL :-</b>	<b>2,198,006</b>	<b>2,390,188</b>	<b>192,182</b>	<b>9%</b>

<b>(IX) PUBLIC SERVICE NUMBERS EMPLOYED (Wholetime equivalents)</b>							
<b>2006 - 2011</b>							
<b>( at the 1st of January each year* )</b>							
	2006	2007	2008	2009	2010*	2011	% Increase 2006 - 2011
Health	101,978	106,273	110,600	111,770	107,972	105,300	3.3%
Education	83,435	89,263	90,456	94,880	93,827	93,300	11.8%
Civil Service	36,533	37,156	38,200	39,129	36,439	37,300	2.1%
Security	24,712	25,438	26,090	26,524	24,926	24,250	-1.9%
Non-Comm. State Bodies	11,391	11,700	11,798	12,354	11,992	11,200	-1.7%
<b>Exchequer Funded</b>	<b>258,049</b>	<b>269,830</b>	<b>277,144</b>	<b>284,657</b>	<b>275,156</b>	<b>271,350</b>	<b>5.2%</b>
Increase over previous year		11,781	7,314	7,513	-9,501	-3,806	
% Increase over previous year		4.6%	2.7%	2.7%	-3.3%	-1.4%	
Local Authorities	34,067	34,681	34,987	34,179	30,703	30,750	-9.7%
<b>Total Public Service</b>	<b>292,116</b>	<b>304,511</b>	<b>312,131</b>	<b>318,836</b>	<b>305,859</b>	<b>302,100</b>	<b>3.4%</b>
Increase over previous year		12,395	7,620	6,705	-12,977	-3,759	
% Increase over previous year		4.2%	2.5%	2.1%	-4.1%	-1.2%	

Source: Central Section, Sectoral Policy Division, Department of Finance

\*Technical methodological change. With effect from 31 December 2010 employment numbers will be shown as those applying on 31 December each year.

The numbers in the table above have been updated since the publication of the Revised Estimates Volume 2011 and therefore vary slightly from Table XII in this booklet. Quarterly figures are available on [www.per.gov.ie](http://www.per.gov.ie)





<b>(XI) Average Public Service Employee and Pensioner Numbers</b>					
<b>underpinning the Exchequer Pay and Pensions Bill(a)</b>					
<b>(Wholetime equivalent numbers used from 2009)</b>					
<b>Source: Tables 6 and 7 from the 2011 Revised Estimates Volume.</b>					
<b>VOTE / SERVICE</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 Estimate</b>
01 President's Establishment	27	27	22	22	21
02 Department of the Taoiseach	271	276	227	218	219
03 Office of the Attorney General	146	168	149	143	145
04 Central Statistics Office	840	777	793	767	850
05 Office of the Comptroller & Auditor General	152	158	145	156	152
06 Office of the Minister for Finance	639	644	629	603	636
07 Superannuation and Retired Allowances	15,060	15,465	17,251	18,222	19,022
08 Office of the Appeal Commissioners	4	4	4	5	4
09 Office of the Revenue Commissioners	6,574	6,592	6,105	6,063	5,944
10 Office of Public Works	2,128	2,140	1,907	1,830	1,857
11 State Laboratory	92	93	92	89	91
13 Chief State Solicitors Office	239	249	230	226	228
14 Director of Public Prosecutions	182	203	195	195	195
15 Valuation Office	163	163	152	146	146
16 Public Appointments Service	147	143	109	102	93
17 Office of the Commission for Public Service Appointments	9	10	9	8	8
18 Office of the Ombudsman	82	90	88	88	89
19 Justice and Law Reform	2,275	2,991	2,955	2,585	2,563
20 Garda Síochána	23,642	24,802	25,467	25,372	25,201
21 Prisons	3,502	3,572	3,577	3,521	3,607
22 Courts Service	1,050	1,059	1,027	999	972
23 Property Registration Authority	695	696	609	585	573
24 Charitable Donations and Bequests	8	7	7	2	6
25 Environment, Heritage & Local Government (b)	2,044	2,150	2,375	2,244	2,195
26 Education and Skills	109,282	119,431	121,835	126,035	127,915
27 Community, Equality and Gaeltacht Affairs	941	955	956	1,228	1,215
28 Foreign Affairs	1,362	1,377	1,326	1,309	1,245
29 International Co-operation	213	199	197	209	190
30 Communications, Energy & Natural Resources (b)	1,378	1,301	1,281	1,580	1,582
31 Agriculture, Fisheries & Food (b) (c)	7,191	7,202	7,494	7,184	7,030
32 Transport (b)	1,497	1,104	1,156	1,096	1,051
33 National Gallery	116	130	119	115	116
34 Enterprise, Trade and Innovation (c) (e) (g)	6,196	7,412	7,640	4,276	4,182
35 Tourism, Culture & Sport (c)	1,634	1,637	1,655	1,629	1,539
36 Defence	11,623	11,652	11,119	10,663	10,867
37 Army Pensions	11,665	11,671	11,640	11,324	11,555
38 Social Protection	4,527	4,607	5,099	5,160	6,286
39 Health and Children (b)	640	533	1,686	2,077	2,129
40 Health Service Executive (d) (e)	138,212	132,731	135,901	136,072	136,261
<b>TOTAL (f) :-</b>	<b>356,448</b>	<b>364,421</b>	<b>373,228</b>	<b>374,148</b>	<b>377,980</b>
<b>Increase over previous year</b>		<b>7,973</b>	<b>8,807</b>	<b>920</b>	<b>3,832</b>
<b>% Increase over previous year</b>		<b>2.24%</b>	<b>2.42%</b>	<b>0.25%</b>	<b>1.02%</b>

(a) The public service numbers quoted above include the number of pensioners covered by the Exchequer Pay and Pension Bill for the various bodies under the aegis of Departments. Civil Service pensioners are paid from Vote 7 - Superannuation and Retired Allowances.

(b) These Votes include, under their aegis, a number of Non-Commercial Semi-State Bodies (NCSSB's) that are not in direct receipt of Exchequer funding but whose staff are included in this table.

(c) These numbers include the full staffing complement of (i) Teagasc, of which only some are financed directly from the Exchequer, under Vote 31; (ii) Vote 34 The Personal Injuries Assessment Board and SFADCo (Industrial); and (iii) Vote 35 SFADCo (Tourism).

(d) The 2010 outturn for Health Service Executive is based on HSE returns and, subject to validation of this outturn, the end-2011 estimate includes adjustments of 1,760 whole time equivalents (WTE's) in respect of the exit package and 1,128 (WTE's) in respect of the transfer of Community Welfare Officers from the HSE to the Department of Social Protection. Also included are staff in former Health Board companies who were not previously counted.

(e) The 2010 Outturn and 2011 Estimate for Health and Children include staff from the Irish Blood Transfusion Service who were not previously counted.

(f) The Total figure does not include Civil Servants that work for the Oireachtas, which is directly funded by the Central Fund. Staff numbers are projected to be 457 at end of 2011.

(g) For Vote 34, the number of pensioners includes, (i) pensions paid by the State, including, where appropriate, pensions paid from the Own Resources Income of the NCSA's, and (ii) in 2010, pensions arising from the transfer of pension funds to the National Pension Reserve Fund.

**(XII) 2011 EXCHEQUER NET PAY AND PENSIONS BILL and PUBLIC SERVICE NUMBERS**

(Whole time equivalents as estimated at 31 December 2011)

VOTE / DEPARTMENT	Public Service Pay €000	Public Service Pensions €000	Total Pay & Pensions €000	Public Service Numbers	Pension Numbers	Total Numbers
Source: 2010 Revised Estimates Volume						
01 PRESIDENT'S ESTABLISHMENT	1,495		1,495	21		21
02 TAOISEACH	14,259		14,259	219		219
03 ATTORNEY GENERAL	10,768		13,367	145		145
04 CSO	36,648		36,648	850		850
05 C&AG	9,367		9,367	152		152
06 DEPT. OF FINANCE	35,918	4	35,922	633	3	636
07 SUPERANNUATION		367,655	367,655		19,022	19,022
08 APPEAL COMMISSIONERS	408		408	4		4
09 REVENUE COMMISSIONERS	279,298		279,298	5,944		5,944
10 OFFICE OF PUBLIC WORKS	92,293		92,293	1,857		1,857
11 STATE LABORATORY	5,053		5,053	91		91
13 CSSO	14,135		14,135	228		228
14 DPP	13,118		13,118	195		195
15 VALUATION OFFICE	7,486		7,486	146		146
16 PUBLIC APPTS. SERVICE	4,551		4,551	93		93
17 CPSA	489		489	8		8
18 OFFICE OF THE OMBUDSMAN	5,521		5,521	89		89
19 MINISTER FOR JUSTICE	129,296	1,033	130,329	2,441	122	2,563
20 GARDA SIOCHÁNA	918,795	332,049	1,250,844	15,550	9,651	25,201
21 PRISONS	232,389		232,389	3,607		3,607
22 COURTS	47,961		47,961	972		972
23 PROPERTY REGISTRATION AUTHORITY	25,912		25,912	573		573
24 CHARITABLE DONATIONS	357		357	6		6
25 ENVIRONMENT	87,881	4,135	92,016	1,961	234	2,195
26 EDUCATION AND SKILLS	5,025,698	886,297	5,911,995	97,192	30,723	127,915
27 COMM. EQUALITY & GAEL. AFF	48,558	4,602	53,160	990	225	1,215
28 FOREIGN AFFAIRS	73,634		73,634	1,245		1,245
29 INTERNAT. CO-OPERATION	15,486		15,486	190		190
30 COMMUNICATIONS, ENERGY	35,231	2,826	38,057	1,256	326	1,582
31 AGRICULTURE, FISHERIES AND FOOD	254,565	43,518	298,083	5,232	1,798	7,030
32 TRANSPORT	52,325	1,384	53,709	1,008	43	1,051
33 NATIONAL GALLERY	5,538		5,538	116		116
34 ENTERPRISE TRADE & INNOVATION	170,787	44,080	214,867	2,854	1,328	4,182
35 TOURISM, CULTURE & SPORT	56,351	9,728	66,079	1,137	402	1,539
36 DEFENCE	500,834		500,834	10,867		10,867
37 ARMY PENSIONS	98	201,719	201,817	2	11,553	11,555
38 SOCIAL PROTECTION	245,779		245,779	6,256	30	6,286
39 HEALTH AND CHILDREN	62,707	1,007	63,714	1,960	169	2,129
40 HEALTH SERVICE EXECUTIVE	6,215,573	490,151	6,705,724	105,300	30,961	136,261
<b>TOTAL :-</b>	<b>14,736,562</b>	<b>2,390,188</b>	<b>17,126,750</b>	<b>271,390</b>	<b>106,590</b>	<b>377,980</b>

Note: The Public Service pension-related deduction on remuneration impacts the net Public Service pay figures

**(XIII) Trends in Paybill and Public Service Numbers**

Year	2006	2007	2008	2009	2010 O/Turn	2011 REV
<b>1. GROSS and NET CURRENT PAYBILL</b>						
	€m	€m	€m	€m	€m	€m
<b>(a) Gross Current Expenditure</b>	<b>43,404</b>	<b>48,793</b>	<b>53,399</b>	<b>55,731</b>	<b>54,266</b>	<b>52,827</b>
(b)Gross Exchequer Pay & Pensions	16,780	18,161	19,353	19,956	18,668	18,636
Pay as % of Gross current spending	39%	37%	36%	36%	34%	35%
<b>(c) Net Current Expenditure</b>	<b>32,905</b>	<b>37,044</b>	<b>40,745</b>	<b>40,305</b>	<b>40,601</b>	<b>41,711</b>
(d) Net Exchequer Pay & Pensions	16,218	17,600	18,753	18,478	17,112	17,127
Pay as % of Net current spending	49%	48%	46%	46%	42%	41%
<b>Year-on-year per cent increase</b>	<b>8.3%</b>	<b>8.5%</b>	<b>6.6%</b>	<b>-1.5%</b>	<b>-7.4%</b>	<b>0.1%</b>
<b>2. Paybill (Gross v Net)</b>	€m	€m	€m	€m	€m	€m
(a) Gross	16,780	18,161	19,353	19,956	18,668	18636
(b) Net	16,218	17,600	18,753	18,478	17,112	17127
A in A (1)	562	561	600	1,478	1,556	1,509
<b>3. Average Public Service Numbers*</b> (excluding Local Authorities)	337,798	356,448	364,421	373,228	374,148	377,980
Year-on-Year increase	5.24%	5.52%	2.24%	2.42%	0.25%	1.02%
<b>Average Public Service numbers*</b> (excluding Pensioners)	261,705	269,668	279,155	278,106	275,183	271,390
Year-on-Year increase	5.12%	3.04%	3.52%	-0.38%	-1.05%	-1.38%
Average Pensioner numbers	76,093	86,780	85,266	95,122	98,965	106,590
	5.65%	14.04%	-1.74%	11.56%	4.04%	7.70%

\*Whole time equivalents from 2009

(1). 2010 A in A breakdown

	€m
Pay - mainly Education ( ESF receipts and fees)	59
Pensions - Civil Service, Health, Education, Guards and Army	534
Pension Related Deduction	916

**Total** 1,509

## **(XIV) GENERAL BACKGROUND NOTE**

### **1. Exchequer Pay and Pensions Bill Definition**

The Exchequer Pay and Pensions Bill (the 'Paybill') covers:

- i. the actual cost to the Exchequer of the pay and pensions of Civil Servants, Teachers, Gardaí and the Defence Forces;
- ii. the amounts which are included for pay and pensions in grants to health boards and other health agencies (such as voluntary hospitals), universities and other third level colleges, and non-commercial state-sponsored bodies; and
- iii. the cost of employers' PRSI contributions.

It does not include the pay costs of local authority staff because these costs are not directly funded by the Exchequer and neither the former Rates Support Grant nor the current Local Government Fund include an identifiable pay element.

### **2. Published Exchequer Pay and Pensions Information**

The 2010 Revised Estimates Volume includes:-

- i. a summary line in each vote showing its total pay and pensions provision
- ii. tables (Table 3A and 4A) summarising the pay and pensions provision in each Vote (see tables VII and VIII in this booklet)
- iii. tables (Tables 6 and 7) of public service numbers (wholetime equivalents) underlying the pay and pensions provision in each vote (see table XI in this booklet) and
- iv. the total Paybill outturn and estimate, in net and gross terms, for 2010 and 2011 (Tables 3A, 4A and 4, 5 respectively) (see table XIII of this booklet for years 2006 to 2011 inclusive).

The analysis contained in this booklet is based on a subhead by subhead breakdown of pay and pensions.

### **3. Categories used in this Booklet**

The following points should be noted in relation to the sectoral categories used in this analysis:

- i. the Civil Service category includes the costs of established and unestablished civil servants, civil service industrial employees, and a number of other groups; and

- ii. the Security category includes the costs of both the Garda Síochána and the Defence Forces ( including civilian employees in the Defence Forces).

### **3. Reasons for Increases/Decreases in the Exchequer Pay and Pensions Bill**

Increases in the Paybill from one year to another are attributable to a combination of increases in the pay rates of public servants (both general round and local bargaining increases) and a variety of other factors. The latter include changes in the numbers employed, changes in overtime earnings, variations in the number of pay days in the calendar year, increments, drift due to structural changes, the ongoing impact of the application of full PRSI and in some cases a contributory pension scheme to public servants recruited since April 1995, and variations in the timing of European Social Fund and other offsetting receipts. Decreases in the Paybill are attributable to the introductions of the pension related deduction, a moratorium on recruitment in the Public Service and other measures to reduce public service numbers including the Financial Emergency Measures in the Public Interest (No. 2) Act, 2009.

### **4. Public Service Numbers**

Table XI sets out the average Public Service employee (wholetime equivalent from 2009) and pensioner numbers underlying the Exchequer Pay and Pensions Bill.

### **5. Gross/Net Paybill**

Details of the **gross** total Exchequer Pay and Pension Bill were published, for the first time in the 2000 Revised Estimates Volume (Table 9). These figures are shown in Table I of this booklet but all other figures in the booklet are net figures, i.e. after deduction of appropriation-in-aid (mainly pension contributions, ESF funding and pension related deduction).

### **6. Contact Names**

This booklet has been produced by the Central Pay Policy Section of the Personnel and Remuneration Division, Department of Public Expenditure and Reform. The booklet is also available on the Department's Website at [www.per.gov.ie](http://www.per.gov.ie). We would welcome any feedback comments, suggestions, etc. on the booklet.

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