

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

**2007 - 2012**

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| <b>CONTENTS</b>  | <b>page(s)</b> |
|--|----------------|
| <b>Review</b>  | <b>1-8</b>     |
| <b>Appendices</b>  |                |
| <b>(I) Exchequer Pay and Pensions Bill</b>   | <b>9</b>       |
| <b>(II) Exchequer Pay and Pensions Bill as a percentage of GDP and GNP</b>   | <b>9</b>       |
| <b>(III) Reasons for increases in the Exchequer Pay and Pensions Bill</b>  | <b>10</b>      |
| <b>(IV) Sectoral Breakdown of Exchequer Pay and Pensions Bill</b>  | <b>11</b>      |
| <b>(V) Sectoral Breakdown of Exchequer Pay Bill</b>  | <b>11</b>      |
| <b>(VI) Sectoral Breakdown of Exchequer Pensions Bill</b>  | <b>11</b>      |
| <b>(VII) Breakdown by Vote of Exchequer Pay Bill</b>   | <b>12</b>      |
| <b>(VIII) Breakdown by Vote of Exchequer Pensions Bill</b>   | <b>13</b>      |
| <b>(IX) Public Service Numbers Employed</b>  | <b>14</b>      |
| <b>(X) Pie-chart showing the Sectoral Breakdown of Exchequer Funded Public Service Numbers 2012</b>                | <b>14</b>      |
| <b>(XI) Average Public Service Employee and Pensioner Numbers underpinning the Exchequer Pay and Pensions Bill</b> | <b>15</b>      |
| <b>(XII) 2012 Exchequer Pay &amp; Pensions Bill &amp; Public Service No.'s</b>                                     | <b>16</b>      |
| <b>(XIII) Trends in Paybill &amp; Public Service Numbers</b>   | <b>17</b>      |
| <b>(XIV) General Background Note</b>   | <b>18-19</b>   |

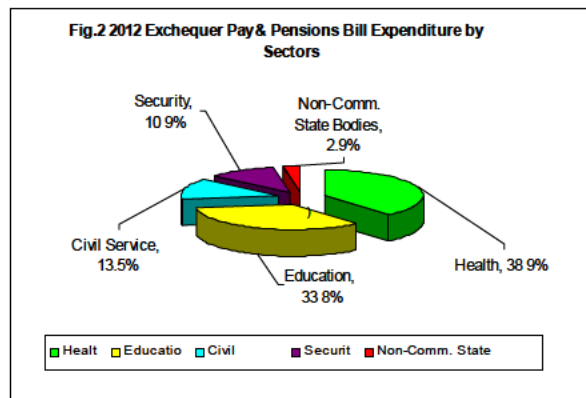
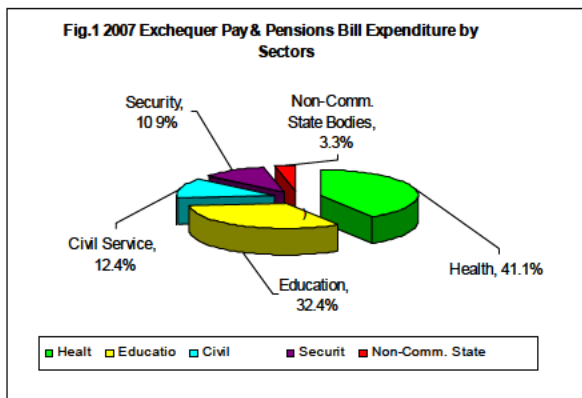
## Review

This booklet examines trends in Net Exchequer Pay and Pensions (the “Pay bill”) since 2007 based on data in the Revised Estimates for 2012. 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 2012 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 2007 are shown in the accompanying tables and charts. In summary these are:

- in the period 2007 to 2012 the net Pay and Pensions bill is projected to decrease by 4% (Table I);
- in 2012 the pay bill will amount to €14,402m, a decrease of 12.6% over the 2009 figure of €16,471m, a 1.6% decrease over the 2011 figure of €14,638m (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 2007 to 2012 were due to general round pay increases totalling €975m (or 5.5%), 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 €1,671m (or -9.5%) (Table III);

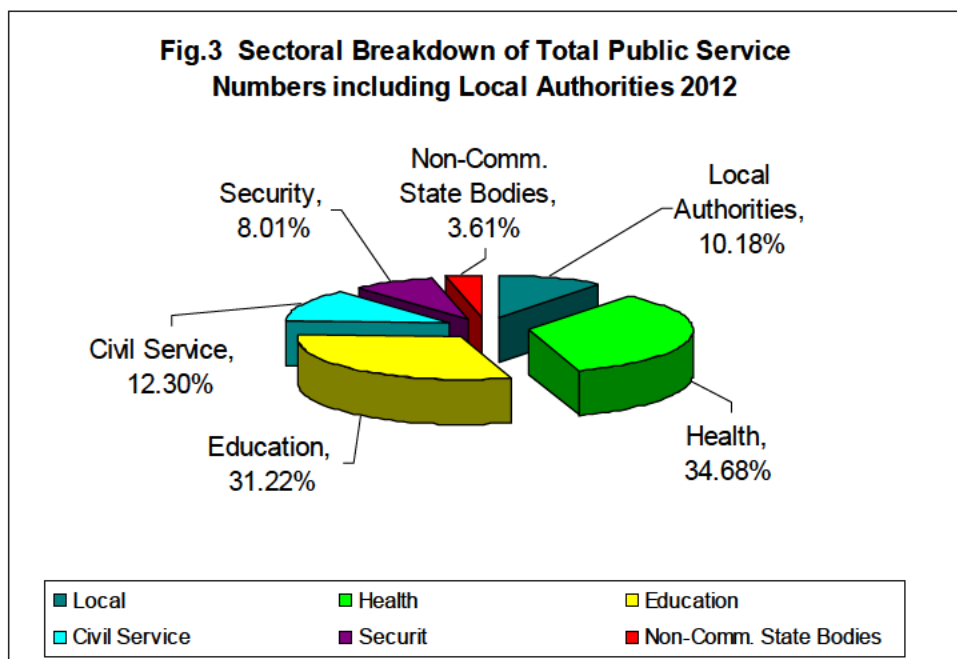
- receipts in respect of the Pension Related Deduction were €837m in 2009, €944m in 2010, €950m in 2011 and are expected to be €930m in 2012;
- from 2007 to 2009 the pay and pensions bill increased as a percentage of both GNP and GDP, reaching 14% and 11.5% respectively in 2009, but has reduced to 13.6% and 10.6.% respectively in 2012(Table II);
- the net Pay and Pensions bill as a percentage of net non-capital Exchequer spending has decreased from 48% in 2007 to 42% in 2012 (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 in the Health sector pay and pensions bill, which decreased over the period by 9.1% (compared to a 4% drop in the rest of the Pay and Pensions bill) (Table IV). However this additional fall is in large part due to a substantial transfer of staff to the Civil Service sector in 2011;
- the number of Exchequer-funded public service employees (excluding local authorities) estimated for 2012 is 264,424 (whole-time equivalents), a decrease of 5,406 or 2% since 2007, mainly in Health and Security (Table IX). This reflects a

3.9% decrease in staff in the Health sector (including the transfer of staff to the Civil Service sector in 2011) and a 7.3% decrease in staff in the security sector over the period;

- public service numbers and pensioners, based on whole time equivalent measurement increased to 384,800 in 2012 from 379,869 in 2011. While serving numbers are estimated to further decrease from a 2011 outturn of 267,366 to 264,421 in 2012, pension numbers are estimated to increase from 112,503 to 120,379 over the same period (Table XI). Figures are based on end 2011 outturn and 2012 estimate;



- pensions now account for 14.8% of the total Pay and Pension Pay bill, up from 8.5% in 2007. Overall, the pensions bill has increased from €1,498m in 2007 to €2,502m in 2012 representing a 67% increase over the period (pay in contrast over the same period decreased by 10.6%) (Tables V and VI). The pensions bill increase is attributable, in part, to an increase in retirements from 2009 onwards

(leading to an increase in once off lump sum payments) aimed at achieving a sustainable fall in public service pay costs, 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 €536m are made by serving public servants (Table XIII).

### **Review of Developments in 2011-2012**

The Programme of Support availed of by Ireland in November 2010 from the EU Commission and the International Monetary Fund (IMF) in conjunction with the European Central Bank remained the overarching feature of public policy in Ireland during the period covered by this review (July 2011 – June 2012). Expenditure on public service pay and pensions consists of some 35% of overall public expenditure. Accordingly the need to control and reduce the public service pay and pensions bill as a contribution to the development of a sustainable fiscal model for Ireland forms a key part of the policy measures adopted to meet the fiscal conditions attached to the Programme of Support.

At this point in the Programme, it is appropriate to review the policy measures implemented over recent years and to outline their impact and estimated future impact on the Exchequer Pay and Pensions Bill.

### **Exchequer Pay Bill**

The Financial Emergency Measures in the Public Interest Acts 2009 implemented two significant measures to reduce the cost of the Exchequer pay bill. The Financial Emergency Measures in the Public Interest Act 2009 implemented the Pension Related Deduction (PRD) for public servants with effect from March 2009 while the

Financial Emergency Measures in the Public Interest (No. 2) Act 2009 applied a pay reduction to the remuneration of public servants with effect from January 2010.

While both measures effect a reduction in the cost of the public service pay bill, they are accounted for differently in Government accounts. While the pay reduction directly reduces the Exchequer pay bill, the pension-related deduction is included in gross Exchequer pay costs but is deducted at source by Departments and Agencies and returned to the Exchequer.

On this basis the cost of the Exchequer Pay Bill will reduce from a peak in 2009 of €17.5bn (gross) in 2009 to €14.4bn (net of PRD) in 2012, effecting a saving of €3.1bn.

### **Exchequer Pension Bill**

While reductions in the pay bill are attributable in part to non-filling of vacancies occurring as public servants retire, the relationship between movements in the pay bill and the pension bill is not a direct relationship. Movements in the pension bill are subject to a number of other factors including:

- Increased survival rates of existing pensioners who are living longer;
- Pensions in payment before 29 February 2012 are with effect from January 2011 subject to a pension-related reduction of an average of 4% (this is separate to the PRD which applies to serving public servants);
- Pensions coming into payment post 29 February 2012 are based on the reduced public service remuneration rates effective from 1 January 2010;

- Pension costs include the once off costs of superannuation lump sums payable under public service superannuation schemes (generally 1.5 times the annual rate of pensionable remuneration for full-length careers). Given the higher retirement rates of recent years, these lump-sum pay outs will naturally tend to increase the annual pension cost out-turns.

The gross pensions bill is estimated to increase from €2.558 billion in 2009 to €3.038 billion in 2012 (an increase of €0.480bn) as compared to the saving of €3.1 billion in pay costs over that period.

### **Numbers Reductions**

One of the primary cost reduction measures employed to reduce pay bill costs is the reduction in numbers of public service employees. Public Service employee numbers (Exchequer funded and Local Government) have reduced to 292,000 whole time equivalents in mid 2012 (a reduction of some 8.5%) from a peak of 319,000 in 2008, while a further reduction in numbers is targeted to reduce overall numbers to 282,500 by the end of 2014 (a reduction of some 11.5%).

The Financial Emergency Measures in the Public Interest (No. 2) Act 2009 applied a pay reduction to the remuneration of public servants with effect from January 2010 but also provided an inherent incentive to public service employees to retire on or before the 29 February 2012 when they could retire and have their pensions based on the pay rates prior to the implementation of the pay reduction in January 2010. This became known as the “grace period” and resulted in almost 7,900 employees exiting the public service in the first quarter of 2012. While this provided a significant challenge to the public service, the exodus of the staff was managed successfully to avoid any serious interference with the provision of services.



In relation to the cohort of staff availing of the “grace period” to retire before the 29 February 2012, those staff retiring did not have any ‘early retirement’ enhancement. The pension costs incurred by the Exchequer in respect of those staff retiring before 29 February 2012 represented accrued liabilities for the Exchequer in respect of employees who are members of and who have contributed to pension schemes. In so far as these staff were retiring early (i.e. in advance of the normal age when they would be entitled to their pension entitlements) they retired on cost neutral retirement terms, that is, their pension terms were reduced to reflect that they would avail of their pension in advance of their normal entitlement date.

### **Financial Emergency 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 Public Expenditure and Reform 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 (No 2) Act 2009 were undertaken by the Minister for Public Expenditure and Reform and reports on both reviews were laid before the Houses of the Oireachtas at the end of June 2012. Both reviews concluded, as in previous years, 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.

### **Public Service Agreement 2010-2014**

The Public Service (Croke Park) Agreement is a four year public service industrial relations Agreement covering the period from 2010 to 2014. The Agreement requires staff cooperation with productivity, costs extraction and reforms to the public service and the Government has reaffirmed the key commitments under the Public Service Agreement 2010-2014 on pay rates and job security for serving public servants. These commitments are contingent on delivery of the necessary flexibilities by public servants. The Agreement itself provides for an annual review process while the Implementation Body is charged with making regular reports on the implementation of the transformation agenda across the Public Service.

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

A reform of pension entitlements for new public service employees was enacted under the terms of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 on 28 July 2012. The new scheme will (i) introduce a career average pension scheme; (ii) index pension accrual and pension increases to CPI and not pay; and (iii) increase the pension age for all new entrants to the service thus significantly reducing future pension costs and will, in time, produce improved efficiencies in administration.

### **Outlook for 2012 – 2013**

Ireland has been tasked with reducing its structural fiscal deficit to below 3% by 2015. As the fiscal adjustment required to meet the targets set by Ireland's international partners becomes more challenging, additional costs will have to be extracted from the public service pay and pensions bill, including through maximising the contribution of the Public Service Agreement to the transformation of the public service to enable it make a continuing and sustainable contribution to Ireland's economic recovery.

| <b>(I) Exchequer Pay &amp; Pensions Bill</b>                        |    |        |        |        |        |        |        |                             |
|---|----|--------|--------|--------|--------|--------|--------|-----------------------------|
| Year  |    | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2007-2012 increase/decrease |
| <b>Gross*</b>   | €m | 18,161 | 19,353 | 19,956 | 18,668 | 18,397 | 18,413 | 1.4%                        |
| <b>Net</b>  | €m | 17,600 | 18,753 | 18,478 | 17,112 | 16,855 | 16,904 | -4.0%                       |
| <b>% increase/decrease in Net Exchequer Pay &amp; Pensions Bill</b> |    |        | 6.6%   | -1.5%  | -7.4%  | -1.5%  | 0.3%   |                             |

| <b>(II) Net Exchequer Pay &amp; Pensions Bill as a Percentage of GDP and GNP</b> |    |         |         |         |         |         |         |                    |
|--|----|---------|---------|---------|---------|---------|---------|--------------------|
| Year   |    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2007-2012 decrease |
| <b>GDP</b>   | €m | 189,933 | 179,990 | 160,596 | 155,992 | 156,438 | 158,925 | -16.3%             |
| <b>Pay &amp; Pensions Bill as a % of GDP</b>                                     |    | 9.3%    | 10.4%   | 11.5%   | 11.0%   | 10.8%   | 10.6%   |                    |
| <b>GNP</b>   | €m | 163,413 | 154,673 | 132,233 | 128,207 | 123,875 | 124,650 | -23.7%             |
| <b>Pay &amp; Pensions Bill as a % of GNP</b>                                     |    | 10.8%   | 12.1%   | 14.0%   | 13.3%   | 13.6%   | 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                                     | 2007      | 2008   | 2009   | 2010   | 2011   | 2012   | 2007-2012 decrease |
|--|-----------|--------|--------|--------|--------|--------|--------------------|
| (a) Exchequer Pay and Pensions Bill      | €m 17,600 | 18,753 | 18,478 | 17,112 | 16,855 | 16,904 |                    |
| (b) Increase/Decrease over previous year |           | 1,153  | -275   | -1,366 | -257   | 49     | -696               |
|  | %         | 6.6%   | -1.5%  | -7.4%  | -1.5%  | 0.3%   | -4.0%              |
| (c) Increase due to general rounds       | €m        | 715    | 260    | 0      | 0      | 0      | 975                |
|  | %         | 4.1%   | 1.4%   | 0.0%   | 0.0%   | 0.0%   | 5.5%               |
| (d) Change due to other factors          | €m        | 438    | -535   | -1,366 | -257   | 49     | -1,671             |
|  | %         | 2.5%   | -2.9%  | -7.4%  | -1.5%  | 0.3%   | -9.5%              |

#### Notes

1. The percentage figures at (b) show the overall increase/decrease in the Paybill for each year, the cumulative effect of which is -4.0% 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 5.5% ( general rounds ) and -9.5% ( other ).

| <b>(IV) Sectoral Breakdown of Exchequer Pay and Pensions Bill 2007 - 2012</b> |               |               |               |               |               |               |                                 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------------|
| YEAR  |               |               |               |               |               |               | % increase/decrease 2007 - 2012 |
|   | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          |                                 |
| Health  | €m<br>7,229   | €m<br>7,609   | €m<br>7,439   | €m<br>6,855   | €m<br>6,477   | €m<br>6,568   | -9.1%                           |
| Education   | 5,696         | 6,167         | 6,101         | 5,672         | 5,765         | 5,720         | 0.4%                            |
| Civil Service   | 2,184         | 2,310         | 2,292         | 2,112         | 2,208         | 2,286         | 4.7%                            |
| Security  | 1,915         | 2,055         | 2,052         | 1,897         | 1,915         | 1,846         | -3.6%                           |
| Non-Comm. State Bodies  | 574           | 613           | 594           | 575           | 491           | 483           | -15.9%                          |
| <b>TOTAL PAY AND PENSIONS</b>   | <b>17,600</b> | <b>18,753</b> | <b>18,478</b> | <b>17,112</b> | <b>16,855</b> | <b>16,904</b> | <b>-4.0%</b>                    |
| % increase/decrease over previous year  |               | 6.6%          | -1.5%         | -7.4%         | -1.5%         | 0.3%          |                                 |

| <b>(V) Sectoral Breakdown of Exchequer Pay Bill 2007 - 2012</b> |               |               |               |               |               |               |                                 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------------|
| <b>(FIGURES INCLUDED IN TABLE (IV) ABOVE)</b>                   |               |               |               |               |               |               |                                 |
| YEAR  |               |               |               |               |               |               | % increase/decrease 2007 - 2012 |
|   | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          |                                 |
| Health  | €m<br>6,960   | €m<br>7,350   | €m<br>7,109   | €m<br>6,399   | €m<br>6,086   | €m<br>5,986   | -14.0%                          |
| Education   | 5,140         | 5,484         | 5,305         | 4,865         | 4,891         | 4,846         | -5.7%                           |
| Civil Service   | 1,917         | 2,033         | 1,946         | 1,730         | 1,826         | 1,822         | -5.0%                           |
| Security  | 1,534         | 1,644         | 1,567         | 1,433         | 1,429         | 1,363         | -11.2%                          |
| Non-Comm. State Bodies*   | 549           | 587           | 544           | 486           | 407           | 384           | -30.1%                          |
| <b>TOTAL PAY</b>  | <b>16,102</b> | <b>17,097</b> | <b>16,471</b> | <b>14,914</b> | <b>14,638</b> | <b>14,402</b> | <b>-10.6%</b>                   |
| % increase/decrease over previous year                          |               | 6.2%          | -3.7%         | -9.5%         | -1.8%         | -1.6%         |                                 |

| <b>(VI) Sectoral Breakdown of Exchequer Pensions Bill 2007 - 2012</b> |              |              |              |              |              |              |                        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|
| <b>(FIGURES INCLUDED IN TABLE (IV) ABOVE)</b>                         |              |              |              |              |              |              |                        |
| YEAR  |              |              |              |              |              |              | % increase 2007 - 2012 |
|   | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         |                        |
| Health  | €m<br>269    | €m<br>259    | €m<br>330    | €m<br>456    | €m<br>391    | €m<br>582    | 116.4%                 |
| Education   | 556          | 683          | 796          | 807          | 874          | 874          | 57.2%                  |
| Civil Service   | 267          | 277          | 346          | 382          | 382          | 464          | 73.8%                  |
| Security  | 381          | 411          | 485          | 464          | 486          | 483          | 26.8%                  |
| Non-Comm. State Bodies *  | 25           | 26           | 50           | 89           | 84           | 99           | 296.0%                 |
| <b>TOTAL PENSIONS</b>   | <b>1,498</b> | <b>1,656</b> | <b>2,007</b> | <b>2,198</b> | <b>2,217</b> | <b>2,502</b> | <b>67.0%</b>           |
| % increase over previous year   |              | 10.5%        | 21.2%        | 9.5%         | 0.9%         | 12.9%        |                        |

\*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 2012 Revised Estimates for Public Services

| VOTE / DEPARTMENT                                     | 2011<br>Outturn<br>€000 | 2012<br>Estimate<br>€000 | Increase/<br>Decrease<br>€000 | Increase/<br>Decrease<br>% |
|---|-------------------------|--------------------------|-------------------------------|----------------------------|
| 01 President's Establishment                          | 1,550                   | 1,571                    | 21                            | 1.4%                       |
| 02 Department of the Taoiseach                        | 12,513                  | 14,506                   | 1,993                         | 15.9%                      |
| 03 Office of the Attorney General                     | 10,381                  | 11,306                   | 925                           | 8.9%                       |
| 04 Central Statistics Office                          | 35,462                  | 33,089                   | -2,373                        | -6.7%                      |
| 05 Director of Public Prosecutions                    | 12,357                  | 12,855                   | 498                           | 4.0%                       |
| 06 Chief State Solicitor's Office                     | 13,454                  | 13,983                   | 529                           | 3.9%                       |
| 07 Finance  | 16,473                  | 21,376                   | 4,903                         | 29.8%                      |
| 08 Office of the Comptroller and Auditor General      | 8,805                   | 9,370                    | 565                           | 6.4%                       |
| 09 Office of the Revenue Commissioners                | 276,799                 | 265,627                  | -11,172                       | -4.0%                      |
| 10 Office of the Appeal Commissioners                 | 388                     | 418                      | 30                            | 7.7%                       |
| 11 Public Expenditure and Reform                      | 18,823                  | 22,825                   | 4,002                         | 21.3%                      |
| 13 Office of Public Works                             | 89,927                  | 89,940                   | 13                            | 0.0%                       |
| 14 State Laboratory                                   | 4,700                   | 4,911                    | 211                           | 4.5%                       |
| 16 Valuation Office                                   | 7,486                   | 7,093                    | -393                          | -5.2%                      |
| 17 Public Appointments Service                        | 4,340                   | 3,979                    | -361                          | -8.3%                      |
| 18 Office of the Commission for Public Service Appts. | 445                     | 484                      | 39                            | 8.8%                       |
| 19 Office of the Ombudsman                            | 5,186                   | 5,315                    | 129                           | 2.5%                       |
| 20 Garda Síochána                                     | 966,023                 | 890,913                  | -75,110                       | -7.8%                      |
| 21 Prisons  | 226,212                 | 223,536                  | -2,676                        | -1.2%                      |
| 22 Courts Service                                     | 48,280                  | 46,754                   | -1,526                        | -3.2%                      |
| 23 Property Registration Authority                    | 24,691                  | 24,699                   | 8                             | 0.0%                       |
| 24 Justice and Equality                               | 126,861                 | 126,814                  | -47                           | 0.0%                       |
| 25 Environment, Community & Local Government          | 71,212                  | 68,402                   | -2,810                        | -3.9%                      |
| 26 Education and Skills                               | 5,004,661               | 4,956,044                | -48,617                       | -1.0%                      |
| 27 International Co-operation                         | 15,759                  | 16,109                   | 350                           | 2.2%                       |
| 28 Foreign Affairs and Trade                          | 77,426                  | 79,222                   | 1,796                         | 2.3%                       |
| 29 Communications, Energy & Natural Resources         | 33,207                  | 33,059                   | -148                          | -0.4%                      |
| 30 Agriculture, Food & the Marine                     | 254,341                 | 245,975                  | -8,366                        | -3.3%                      |
| 31 Transport, Tourism and Sport                       | 78,214                  | 78,972                   | 758                           | 1.0%                       |
| 32 Jobs, Enterprise and Innovation                    | 164,479                 | 159,774                  | -4,705                        | -2.9%                      |
| 33 Arts, Heritage and the Gaeltacht                   | 72,546                  | 68,421                   | -4,125                        | -5.7%                      |
| 34 National Gallery                                   | 4,910                   | 5,099                    | 189                           | 3.8%                       |
| 35 Army Pensions                                      | 95                      | 98                       | 3                             | 3.2%                       |
| 36 Defence  | 475,965                 | 485,788                  | 9,823                         | 2.1%                       |
| 37 Social Protection                                  | 307,824                 | 302,149                  | -5,675                        | -1.8%                      |
| 38 Health   | 52,432                  | 54,078                   | 1,646                         | 3.1%                       |
| 39 Health Service Executive                           | 6,085,677               | 5,986,647                | -99,030                       | -1.6%                      |
| 40 Children and Youth Affairs                         | 28,144                  | 30,315                   | 2,171                         | 7.7%                       |
| <b>TOTAL :-</b>                                       | <b>14,638,048</b>       | <b>14,401,516</b>        | <b>-236,532</b>               | <b>-1.6%</b>               |

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

Source: Table 4A from 2012 Revised Estimates for Public Services

| VOTE / DEPARTMENT                             | 2011<br>Outturn<br>€00 | 2012<br>Estimate<br>€00 | Increase/<br>Decrease<br>€00 | Increase/<br>Decrease<br>% |
|---|------------------------|-------------------------|------------------------------|----------------------------|
| 11 Public Expenditure and Reform              | 4                      | 4                       | 0                            | 0.0%                       |
| 12 Superannuation and Retired Allowances      | 345,187                | 418,215                 | 73,028                       | 21.2%                      |
| 20 Garda Síochána                             | 268,528                | 275,325                 | 6,797                        | 2.5%                       |
| 22 Courts Service                             | 110                    | 110                     |                              |                            |
| 24 Justice and Equality                       | 431                    | 604                     | 173                          | 40.1%                      |
| 25 Environment, Community & Local Government  | 4,284                  | 5,645                   | 1,361                        | 31.8%                      |
| 26 Education and Skills                       | 899,836                | 898,770                 | -1,066                       | -0.1%                      |
| 29 Communications, Energy & Natural Resources | 2,806                  | 2,806                   | 0                            | 0.0%                       |
| 30 Agriculture, Food and the Marine           | 42,837                 | 49,711                  | 6,874                        | 16.0%                      |
| 31 Transport, Tourism and Sport               | 7,337                  | 10,129                  | 2,792                        | 38.1%                      |
| 32 Jobs, Enterprise and Innovation            | 31,765                 | 43,353                  | 11,588                       | 36.5%                      |
| 33 Arts, Heritage and the Gaeltacht           | 4,163                  | 6,790                   | 2,627                        | 63.1%                      |
| 35 Army Pensions                              | 217,122                | 207,716                 | -9,406                       | -4.3%                      |
| 37 Social Protection                          | -714                   | -650                    | 64                           | -9.0%                      |
| 38 Health                                     | 1,007                  | 1,021                   | 14                           | 1.4%                       |
| 39 Health Service Executive                   | 391,235                | 581,714                 | 190,479                      | 48.7%                      |
| 40 Children and Youth Affairs                 | 854                    | 1,013                   | 159                          | 18.6%                      |
| <b>TOTAL :-</b>                               | <b>2,216,792</b>       | <b>2,502,276</b>        | <b>285,484</b>               | <b>12.9%</b>               |

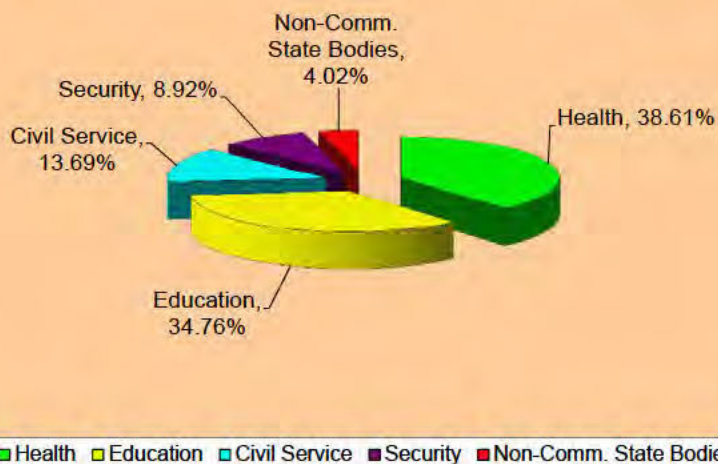
| <b>(IX) PUBLIC SERVICE NUMBERS EMPLOYED (Wholetime equivalents)</b> |                |                |                |                |                |                |                           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| <b>2007 - 2012</b>  |                |                |                |                |                |                |                           |
| <b>( at the 1st of January each year* )</b>                         |                |                |                |                |                |                |                           |
|   | 2007           | 2008           | 2009           | 2010*          | 2011           | 2012           | % Increase<br>2007 - 2012 |
| Health  | 106,273        | 110,600        | 111,770        | 107,972        | 104,392        | 102,100        | -3.9%                     |
| Education   | 89,263         | 90,456         | 94,880         | 93,827         | 90,946         | 91,922         | 3.0%                      |
| Civil Service   | 37,156         | 38,200         | 39,129         | 36,439         | 36,614         | 36,208         | -2.6%                     |
| Security  | 25,438         | 26,090         | 26,524         | 24,926         | 24,369         | 23,575         | -7.3%                     |
| Non-Comm. State Bodies  | 11,700         | 11,798         | 12,354         | 11,992         | 11,500         | 10,619         | -9.2%                     |
| <b>Exchequer Funded</b>   | <b>269,830</b> | <b>277,144</b> | <b>284,657</b> | <b>275,156</b> | <b>267,821</b> | <b>264,424</b> | <b>-2.0%</b>              |
| Increase over previous year   |                | 7,314          | 7,513          | -9,501         | -7,335         | -3,397         |                           |
| % Increase over previous year                                       |                | 2.7%           | 2.7%           | -3.3%          | -2.7%          | -1.3%          |                           |
| Local Authorities   | 34,681         | 34,987         | 34,179         | 30,703         | 29,506         | 29,980         | -13.6%                    |
| <b>Total Public Service</b>   | <b>304,511</b> | <b>312,131</b> | <b>318,836</b> | <b>305,859</b> | <b>297,327</b> | <b>294,404</b> | <b>-3.3%</b>              |
| Increase over previous year   |                | 7,620          | 6,705          | -12,977        | -8,532         | -2,923         |                           |
| % Increase over previous year                                       |                | 2.5%           | 2.1%           | -4.1%          | -2.8%          | -1.0%          |                           |

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 2012 and therefore vary slightly from Table XII in this booklet. Quarterly figures are available on [www.per.gov.ie](http://www.per.gov.ie)

**(X) Sectoral Breakdown of Exchequer Funded Public Service Numbers 2012**





| <b>(XI) Average Public Service Employee and Pensioner Numbers<br/>underpinning the Exchequer Pay and Pensions Bill(a)</b><br>(Wholetime equivalent numbers used from 2009)<br>Source Tables 6 and 7 from the 2012 Revised Estimates Volume. |                |                |                |                |                           |
|---|----------------|----------------|----------------|----------------|---------------------------|
| <b>VOTE / SERVICE</b>   | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    | <b>2011</b>    | <b>2012<br/>Estimate*</b> |
| 01 President's Establishment  | 27             | 22             | 22             | 21             | 21                        |
| 02 Taoiseach  | 276            | 227            | 218            | 179            | 204                       |
| 03 Office of the Attorney General   | 168            | 149            | 143            | 141            | 148                       |
| 04 Central Statistics Office  | 777            | 793            | 767            | 808            | 706                       |
| 05 Director of Public Prosecutions  | 203            | 195            | 195            | 196            | 192                       |
| 06 Chief State Solicitors Office  | 249            | 230            | 226            | 223            | 229                       |
| 07 Finance  | 644            | 629            | 603            | 279            | 320                       |
| 08 Office of the Comptroller & Auditor General  | 158            | 145            | 156            | 151            | 150                       |
| 09 Office of the Revenue Commissioners  | 6,592          | 6,105          | 6,063          | 5,957          | 5,774                     |
| 10 Office of the Appeal Commissioners   | 4              | 4              | 5              | 5              | 4                         |
| 11 Public Expenditure and Reform  |                |                |                | 344            | 400                       |
| 12 Superannuation and Retired Allowances  | 15,465         | 17,251         | 18,222         | 18,636         | 19,448                    |
| 13 Office of Public Works   | 2,140          | 1,907          | 1,830          | 1,757          | 1,797                     |
| 14 State Laboratory   | 93             | 92             | 89             | 85             | 90                        |
| 16 Valuation Office   | 163            | 152            | 146            | 144            | 140                       |
| 17 Public Appointments Service  | 143            | 109            | 102            | 91             | 86                        |
| 18 Office of the Commission for Public Service Appointments   | 10             | 9              | 8              | 9              | 9                         |
| 19 Office of the Ombudsman  | 90             | 88             | 88             | 86             | 89                        |
| 20 Garda Síochána   | 24,802         | 25,467         | 25,372         | 25,115         | 24,854                    |
| 21 Prisons  | 3,572          | 3,577          | 3,521          | 3,489          | 3,537                     |
| 22 Courts Service   | 1,059          | 1,027          | 999            | 956            | 931                       |
| 23 Property Registration Authority  | 696            | 609            | 585            | 571            | 552                       |
| 24 Justice and Equality   | 2,998          | 2,962          | 2,587          | 2,412          | 2,308                     |
| 25 Environment, Community & Local Government (a)  | 2,150          | 2,375          | 2,244          | 1,849          | 1,833                     |
| 26 Education and Skills   | 119,431        | 121,835        | 126,035        | 130,432        | 133,311                   |
| 27 International Co-operation   | 199            | 197            | 209            | 187            | 190                       |
| 28 Foreign Affairs and Trade  | 1,377          | 1,326          | 1,309          | 1,255          | 1,280                     |
| 29 Communications, Energy & Natural Resources (a)   | 1,301          | 1,281          | 1,580          | 1,569          | 1,562                     |
| 30 Agriculture, Fisheries & Food (a) (b)  | 7,202          | 7,494          | 7,184          | 6,971          | 6,834                     |
| 31 Transport, Tourism and Sport (a) (b)   | 2,741          | 2,811          | 2,725          | 1,935          | 1,876                     |
| 32 Jobs, Enterprise and Innovation (b) (d)  | 7,412          | 7,640          | 4,276          | 4,153          | 4,106                     |
| 33 Arts, Heritage and the Gaeltacht   | 955            | 956            | 1,228          | 1,911          | 1,855                     |
| 34 National Gallery   | 130            | 119            | 115            | 98             | 112                       |
| 35 Army Pensions  | 11,671         | 11,640         | 11,324         | 11,565         | 11,883                    |
| 36 Defence  | 11,652         | 11,119         | 10,663         | 10,477         | 10,558                    |
| 37 Social Protection  | 4,607          | 5,099          | 5,160          | 6,886          | 6,779                     |
| 38 Health (a)   | 533            | 1,686          | 2,077          | 1,965          | 2,017                     |
| 39 Health Service Executive   | 132,731        | 135,901        | 136,072        | 136,342        | 137,984                   |
| 40 Children and Youth Affairs   |                |                |                | 619            | 631                       |
| <b>TOTAL (c) :-</b>   | <b>364,421</b> | <b>373,228</b> | <b>374,148</b> | <b>379,869</b> | <b>384,800</b>            |
| <b>Increase over previous year</b>  |                | <b>8,807</b>   | <b>920</b>     | <b>5,721</b>   | <b>4,931</b>              |
| <b>% Increase over previous year</b>  |                | <b>2.42%</b>   | <b>0.25%</b>   | <b>1.53%</b>   | <b>1.30%</b>              |

\* The end-2012 estimates are the staffing ceilings agreed under the Departmental Employment Control Frameworks.

(a) These Votes include, under their aegis, a number of Non-Commercial State Agencies (NCSA s) that are not in receipt of Exchequer funding but whose staff are included in this table.

(b) These numbers include the full staffing complements of (i) Teagasc, of which only some are financed directly from the Exchequer, under Vote 30; (ii) Vote 32 The Personal Injuries Assessment Board and SFADCo (Industrial); and (iii) Vote 31 SFADCo (Tourism).

(c) The total figure does not include Civil Servants that work for the Oireachtas, which is directly funded by the Central Fund.

(d) For Vote 32, the number of pensioners include pensions paid by the State, including, where appropriate, pensions paid from the Own Resources Income of the NCSA s.

**(XII) 2012 EXCHEQUER NET PAY AND PENSIONS BILL and PUBLIC SERVICE NUMBERS**  
 (Whole time equivalents as estimated at 31 December 2012)

| VOTE / DEPARTMENT                    | Public Service Pay<br>€000 | Public Service Pensions<br>€000 | Total Pay & Pensions<br>€000 | Public Service Numbers | Pension Numbers | Total Numbers  |
|--------------------------------------|----------------------------|---------------------------------|------------------------------|------------------------|-----------------|----------------|
| Source 2012 Revised Estimates Volume |                            |                                 |                              |                        |                 |                |
| 01 PRESIDENT'S ESTABLISHMENT         | 1,571                      |                                 | 1,571                        | 21                     |                 | 21             |
| 02 TAOISEACH                         | 14,506                     |                                 | 14,506                       | 204                    |                 | 204            |
| 03 ATTORNEY GENERAL                  | 11,306                     |                                 | 11,306                       | 148                    |                 | 148            |
| 04 CSO                               | 33,089                     |                                 | 33,089                       | 706                    |                 | 706            |
| 05 DPP                               | 12,855                     |                                 | 12,855                       | 192                    |                 | 192            |
| 06 CSSO                              | 13,983                     |                                 | 13,983                       | 229                    |                 | 229            |
| 07 FINANCE                           | 21,376                     |                                 | 21,376                       | 320                    |                 | 320            |
| 08 C&AG                              | 9,370                      |                                 | 9,370                        | 150                    |                 | 150            |
| 09 REVENUE COMMISSIONERS             | 265,627                    |                                 | 265,627                      | 5,774                  |                 | 5,774          |
| 10 APPEAL COMMISSIONERS              | 418                        |                                 | 418                          | 4                      |                 | 4              |
| 11 PUBLIC EXPENDITURE & REFORM       | 22,825                     | 4                               | 22,829                       | 397                    | 3               | 400            |
| 12 SUPERANNUATION                    | 0                          | 418,215                         | 418,215                      |                        | 19,448          | 19,448         |
| 13 OFFICE OF PUBLIC WORKS            | 89,940                     |                                 | 89,940                       | 1,797                  |                 | 1,797          |
| 14 STATE LABORATORY                  | 4,911                      |                                 | 4,911                        | 90                     |                 | 90             |
| 16 VALUATION OFFICE                  | 7,093                      |                                 | 7,093                        | 140                    |                 | 140            |
| 17 PUBLIC APPTS. SERVICE             | 3,979                      |                                 | 3,979                        | 86                     |                 | 86             |
| 18 CPSA                              | 484                        |                                 | 484                          | 9                      |                 | 9              |
| 19 OFFICE OF THE OMBUDSMAN           | 5,315                      |                                 | 5,315                        | 89                     |                 | 89             |
| 20 GARDA SIOCHÁNA                    | 890,913                    | 275,325                         | 1,166,238                    | 15,320                 | 9,534           | 24,854         |
| 21 PRISONS                           | 223,536                    |                                 | 223,536                      | 3,537                  |                 | 3,537          |
| 22 COURTS                            | 46,754                     | 110                             | 46,864                       | 930                    | 1               | 931            |
| 23 PROPERTY REGISTRATION AUTHORITY   | 24,699                     |                                 | 24,699                       | 552                    |                 | 552            |
| 24 JUSTICE & EQUALITY                | 126,814                    | 604                             | 127,418                      | 2,271                  | 37              | 2,308          |
| 25 ENVIRONMENT                       | 68,402                     | 5,645                           | 74,047                       | 1,581                  | 252             | 1,833          |
| 26 EDUCATION AND SKILLS              | 4,956,044                  | 898,770                         | 5,854,814                    | 94,711                 | 38,600          | 133,311        |
| 27 INTERNATIONAL CO-OPERATION        | 16,109                     |                                 | 16,109                       | 190                    |                 | 190            |
| 28 FOREIGN AFFAIRS AND TRADE         | 79,222                     |                                 | 79,222                       | 1,280                  |                 | 1,280          |
| 29 COMMUNICATIONS, ENERGY & NR       | 33,059                     | 2,806                           | 35,865                       | 1,202                  | 360             | 1,562          |
| 30 AGRICULTURE, FOOD & THE MARINE    | 245,975                    | 49,711                          | 295,686                      | 5,000                  | 1,834           | 6,834          |
| 31 TRANSPORT, TOURISM AND SPORT      | 78,972                     | 10,129                          | 89,101                       | 1,477                  | 399             | 1,876          |
| 32 JOBS, ENTERPRISE & INNOVATION     | 159,774                    | 43,353                          | 203,127                      | 2,668                  | 1,438           | 4,106          |
| 33 ARTS, HERITAGE & THE GAELTACHT    | 68,421                     | 6,790                           | 75,211                       | 1,569                  | 286             | 1,855          |
| 34 NATIONAL GALLERY                  | 5,099                      |                                 | 5,099                        | 112                    |                 | 112            |
| 35 ARMY PENSIONS                     | 98                         | 207,716                         | 207,814                      | 2                      | 11,881          | 11,883         |
| 36 DEFENCE                           | 485,788                    |                                 | 485,788                      | 10,558                 |                 | 10,558         |
| 37 SOCIAL PROTECTION (a)             | 302,149                    | -650                            | 301,499                      | 6,744                  | 35              | 6,779          |
| 38 HEALTH                            | 54,078                     | 1,021                           | 55,099                       | 1,824                  | 193             | 2,017          |
| 39 HEALTH SERVICE EXECUTIVE          | 5,986,647                  | 581,714                         | 6,568,361                    | 102,042                | 35,942          | 137,984        |
| 40 CHILDREN AND YOUTH AFFAIRS        | 30,315                     | 1,013                           | 31,328                       | 495                    | 136             | 631            |
| <b>TOTAL :-</b>                      | <b>14,401,516</b>          | <b>2,502,276</b>                | <b>16,903,792</b>            | <b>264,421</b>         | <b>120,379</b>  | <b>384,800</b> |

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

(a) It is estimated that €650,000 more will be taken by way of pension contributions from the Pensions Board than will be paid out to pensioners.

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

| Year   | 2007          | 2008          | 2009          | 2010          | 2011<br>O/Turn | 2012<br>REV   |
|--|---------------|---------------|---------------|---------------|----------------|---------------|
| <b>1. GROSS and NET CURRENT PAYBILL</b>                                    |               |               |               |               |                |               |
|  | €m            | €m            | €m            | €m            | €m             | €m            |
| <b>(a) Gross Current Expenditure</b>                                       | <b>48,793</b> | <b>53,399</b> | <b>55,731</b> | <b>54,266</b> | <b>52,870</b>  | <b>51,894</b> |
| (b)Gross Exchequer Pay & Pensions  | 18,161        | 19,353        | 19,956        | 18,668        | 18,397         | 18,413        |
| Pay as % of Gross current spending   | 37%           | 36%           | 36%           | 34%           | 35%            | 35%           |
| <b>(c) Net Current Expenditure</b>   | <b>37,044</b> | <b>40,745</b> | <b>40,305</b> | <b>40,601</b> | <b>41,465</b>  | <b>40,537</b> |
| (d) Net Exchequer Pay & Pensions   | 17,600        | 18,753        | 18,478        | 17,112        | 16,855         | 16,904        |
| Pay as % of Net current spending   | 48%           | 46%           | 46%           | 42%           | 41%            | 42%           |
| <b>Year-on-year per cent increase</b>                                      | <b>8.5%</b>   | <b>6.6%</b>   | <b>-1.5%</b>  | <b>-7.4%</b>  | <b>-1.5%</b>   | <b>0.3%</b>   |
| <b>2. Paybill (Gross v Net)</b>  | €m            | €m            | €m            | €m            | €m             | €m            |
| (a) Gross  | 18,161        | 19,353        | 19,956        | 18,668        | 18,397         | 18,413        |
| (b) Net  | 17,600        | 18,753        | 18,478        | 17,112        | 16,855         | 16,904        |
| A in A (1)   | 561           | 600           | 1,478         | 1,556         | 1,542          | 1,509         |
| <b>3. Average Public Service Numbers*</b><br>(excluding Local Authorities) | 356,448       | 364,421       | 373,228       | 374,148       | 379,869        | 384,800       |
| Year-on-Year increase  | 5.52%         | 2.24%         | 2.42%         | 0.25%         | 1.53%          | 1.30%         |
| <b>Average Public Service numbers*</b><br>(excluding Pensioners)           | 269,668       | 279,155       | 278,106       | 275,183       | 267,366        | 264,421       |
| Year-on-Year increase  | 3.04%         | 3.52%         | -0.38%        | -1.05%        | -2.84%         | -1.10%        |
| Average Pensioner numbers  | 86,780        | 85,266        | 95,122        | 98,965        | 112,503        | 120,379       |
|  | 14.04%        | -1.74%        | 11.56%        | 4.04%         | 13.68%         | 7.00%         |

\*Whole time equivalents from 2009

|  |              |
|--|--------------|
| <b>(1). 2012 A in A breakdown</b>                            | €m           |
| Pay - mainly Education ( ESF receipts and fees)              | 43           |
| Pensions - Civil Service, Health, Education, Guards and Army | 536          |
| Pension Related Deduction                                    | 930          |
| <b>Total</b>   | <b>1,509</b> |

## **(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 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 2012 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 2011 and 2012 (Tables 3A, 4A and 4, 5 respectively) (see table XIII of this booklet for years 2007 to 2012 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 and other measures in the Public Service to reduce public service numbers and the reduction in salary rates effected by 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 Remuneration and Industrial Relations 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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