

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

**2001 - 2006**

**JUNE 2006**



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## Review

This booklet examines trends in Net Exchequer Pay and Pensions (the “Paybill”) since 2001 based on data in the Revised Estimates for 2006. It also includes public service employment data and Central Statistics Office earnings data. The booklet is prepared annually and its purpose is to analyse developments in the Paybill with a view to clarifying the main factors underpinning those developments. A review of developments in Public Service Pay in 2005 is also included.

Details of developments in the Paybill since 2001 are shown in the accompanying tables and charts. In summary these are:

### In the period 2001 to 2006

- the net Pay and Pensions bill is projected to increase by 58.9% (Table I);
- increases over the period due to general rounds total €2,479m (or 24.3%), “special” pay increases (primarily Benchmarking) total €1,328m (or 13%), and other factors (such as extra numbers) total €2,193m (or 21.6%)(Table III);
- from 2001 to 2003 the Pay and Pensions bill increased as a percentage of GNP and GDP and has stayed fairly constant since then (Table II);
- the Pay and Pensions bill has remained in the range 48% to 51% of net non-capital Exchequer spending and just below 40% of gross current Exchequer spending (Table XIV);
- the education sector has shown the greatest increase over the period, an increase of 67% (compared to a 55% rise in the rest of the Pay and Pensions bill), and is expected to account for 32% of the total Paybill in 2006 as opposed to 30% in 2001; the proportion accounted for by the health sector has increased over the previous five year period while the proportions accounted for by the civil service, security sectors and the non-commercial State bodies have in each case decreased slightly (Table VI);
- the number of Exchequer-funded public service employees (excluding local authorities) was 257,013 at 1 January 2006 (wholtime equivalents), an increase of 38,760 or 17.8% over 2001 mainly in Health and Education (Table X);

- pensions now account for 10% of the total Paybill, up from 8.6% in 2001. Overall, the pensions bill has increased from €876m in 2001 to €1,588m in 2006 representing an 81.3% increase over the period (pay in contrast rose by 56.8%); the increase in the health sector has been 104% (Tables VI and VIII).

## **In 2006**

- the net Pay and Pensions bill will amount to €16,186 million , an increase of 8.1% over the 2005 figure of €14,973 (Table I);
- increases arising from *Sustaining Progress* and Benchmarking in 2006 account for an increase of 4.4% (or 53.5% of the overall increase) (Table III);
- other factors account for an increase of 3.8% (or 46.5% of the overall increase) (Table III);
- the health sector accounts for 41% of the total Pay and Pensions bill, the education sector 32%, the civil service 13%, the security sector 11% and the non-commercial State Bodies 3% (Table VI);
- Public service numbers including pensioners based on an annual average measurement (Table 5 REV) increased to 331,376 from 320,974 in 2005 (due to additional numbers in Health, Special Needs in Education and Gardai) (Table XII).

## **Review of 2005**

### ***Sustaining Progress***

The second phase of the *Sustaining Progress* Agreement was agreed in 2004 and came into force on the expiry of the first phase of the agreement, i.e. from 1 January 2005 in the public service and will conclude on 30 June 2006.

In the public service the increases of 1.5% from 1 June 2005 and 1.5% from 1 December 2005 under the second phase of *Sustaining Progress* have been paid. The final increase of 2.5% is due to be paid on 1 June 2006.

The provisions of *Sustaining Progress* (Sections 19 to 26) which deal with the verification process to ensure objectives are being met continue to apply for the duration of the agreement. The process contained in *Sustaining Progress* system of verifying that the

conditions attaching to payments to be made under the agreement are being met is very worthwhile. It has contributed to the virtual absence of industrial disputes and disruptions in the public service. It has also been particularly successful in securing commitment to co-operation with flexibility, ongoing change and implementing a modernisation agenda from the groups covered by the parallel benchmarking exercise. Similar provisions should be a feature of future pay agreements.

### **Benchmarking**

The final quarter of the increases under the first benchmarking exercise was paid on 1 June 2005.

It was agreed under the general plan of *Sustaining Progress* that there would be a further benchmarking exercise beginning in the second half of 2005 and reporting in the second half of 2007.

For a number of reasons the exercise did not commence until early 2006. The Benchmarking Body has commenced its preparatory work on the grades to be examined. Pay increases for craft and related grades (General Operatives, Non-Nursing support staff), were decided in a parallel benchmarking exercise which was carried out in association with the last main benchmarking exercise. Final agreement on the future of this process could not be reached between employers and unions and the issue has been jointly referred to the Labour Court.

On the last occasion there was much criticism of the Benchmarking Body's Report on the grounds that there was not sufficient transparency to back up the recommendations. The Body was bound by reasons of confidentiality on the gathering of information from releasing too much detail. In addition, giving a lot of detail could serve to reopen the debate on various recommendations as issues were disputed by parties unhappy with the outcome.

In the mid-term review of *Sustaining Progress* the parties agreed that the Body should seek to ensure the optimum level of transparency consistent with the efficient and effective operation of the benchmarking process. This request is repeated in the terms of reference.

### **Review Body on Higher Remuneration in the Public Service**

The standing terms of reference of the Review Body provide that it should carry out a general review of the pay of those within its remit every four years. The last general review was carried out in 2000.

The Government decided in April 2005 that the Review Body should be asked to carry out a general review of the remuneration of those covered by its terms of reference and to report thereon in the second half of 2007. This timing was intended to bring the date of finalisation of the review into line with the next report of the Public Service Benchmarking Body.

Under the terms of reference the Review Body was asked ‘as a first step to examine, as a matter of urgency, whether the remuneration of the groups covered had fallen seriously out of line with the remuneration of comparable jobs in other employments since the Review Body last reported and, if satisfied that serious anomalies or inequities exist, to recommend an interim increase to rectify them’. Following this initial examination the Body recommended an interim increase of 7.5% for the posts and grades within its remit. The Government accepted the Review Body’s recommendations and decided that the increase should be implemented on a phased basis, one half from 1 July 2005 and the balance from 1 January 2006.

The Body commented on some other issues in its interim report, specifically on superannuation arrangements which it says it will examine in detail in its general review.

In 2005 the Body carried out an examination on the new health service management grades that replaced the Programme Managers in the Health Service (these were the 2<sup>nd</sup> tier management). This review arose from an agreement with IMPACT in December 2004. It recommended an increase of 4% for these new grades. The posts will be reviewed again, in the general review, to be undertaken by the Review Body in 2006/07.

### **Industrial Relations**

A high degree of industrial relations stability continued during 2005. This is a welcome situation and can be attributed to the principles of Sustaining Progress and the contribution of the verification process which have led to better availability and continuity of services.

### **Hospital Consultants**

The two representative bodies, who had been resisting entering talks on a new contract because of a dispute about the clinical indemnity scheme, entered new talks on a new common contract which began on 24 November 2005. However, these talks have subsequently stalled. Moves are afoot currently to bring the participants back to the table.

### **Non-consultant hospital doctors (NCHDs)**

Talks have been taking place under the auspices of the Labour Relations Commission about new working arrangements for NCHDs arising from the Working Time legislation which limits them to working 58 hours on average per week. The talks have been slow to make progress.

### **Irish Nurses' Organisation**

An INO special conference on benchmarking took place on the 27<sup>th</sup> September 2005. The union wanted priority given to the two Labour Court recommendations which revolve around a shorter working week and a Dublin weighting allowance (LRC 17526), and, 'rectification' of some perceived pay anomalies (LRC 17805). The draft terms of reference specifically mentioned the two Labour Court recommendations to which the Benchmarking Body should have regard but these will not be dealt with separately from the main work of the Body. A full Labour Court hearing on these and other INO claims is scheduled for 20 June 2006.

### **Equality claim by the CPSU**

The CPSU claimed that the outcome of the benchmarking exercise was discriminatory on gender grounds because it recommended higher percentage increases for predominantly male grades compared with the predominantly female grade of Clerical Officer.

The union lodged a claim with the Equality Tribunal. On 30 September 2005, the Director of the Equality Tribunal found that the PPF and Sustaining Progress, together with the report of the Benchmarking Body, was not a collective agreement as envisaged by the Employment Equality Act and that the Tribunal had no jurisdiction to investigate the claim. An appeal by the CPSU to the Labour Court was heard on 16 May 2006. A decision is awaited.

### **PSEU challenge to the CA/Paperkeepers' Equal Pay Settlement reached with the CPSU**

In 2003 the Department of Finance and the CPSU agreed to settle a claim by Clerical Assistants seeking equal pay with Paperkeepers which was then before the High Court for a second time. It was agreed that an overall amount of €34m would be paid to settle the claim. The settlement was made without any admission of liability on behalf of the Minister.

The PSEU, which represents staff at EO and AO/HEO levels, lodged a claim seeking to have the settlement extended to its members who were in the Clerical grades in 1997. A number of other claimants have made similar individual claims. Those claims were rejected by an Equality Officer on 6 March 2006. That decision is now being appealed by the PSEU and one other claimant.

### **Equal pay claim by Clerical Officers assigned to the Garda Síochána**

The Civil, Public and Services Union (CPSU) referred eight equal pay claims to the Equality Tribunal in July 2000 seeking equal pay for female Clerical staff with male Gardaí claiming that the claimants were performing “like work” under the Employment Equality Acts. A further six claims were lodged in July 2005.

In November 2005, the Equality Officer found that one claim was not valid and that six claimants were not doing like work with the comparators. She found that the other seven claimants were performing like work with the named male Garda comparators. She found that the Official Side failed to justify objectively the difference in pay on grounds other than gender and ordered that the claimants be given equal pay with the comparators;

The finding has been appealed by the Department of Finance in relation to the seven complaints upheld. The CPSU has appealed the cases that were rejected.

When the finding was published, the CPSU stated that it intended lodging follow-on cases for approximately 10,000 Clerical Officers across the Civil Service.

### **Application of the Fixed Term Act in the Education Sector**

A transitional agreement has been reached with the teacher unions in relation to the implementation of the Fixed Term Act in the education sector (covering teachers and Institutes of Technology). It applies to staff that have more than four years’ service on 1 September 2005 (i.e. those who have accrued rights under the Act). All aspects of the transitional agreement are open to review in the light of experience and precedent developments elsewhere.

The agreement provides for an appeal system for aggrieved individuals with cases being heard by an adjudicator appointed for that purpose. The adjudicator’s determination is non-binding on the parties and can not be cited or relied on in any subsequent statutory proceedings.

The next stage of the process involves discussions on the mechanism for future recruitment of fixed term personnel, access to permanent vacancies, conditions of employment, access to training, mechanisms for the alignment of posts and available personnel and the treatment of unqualified teachers. Discussions with the teachers’ unions are ongoing in relation to these issues.

**Outlook for 2006**

The major pay issue in 2006 is the negotiations on a new national agreement to succeed Sustaining Progress. In the public service the principles of industrial peace and modernisation must continue to be a condition of the pay agreement if we are to continue the drive for enhanced service delivery and improved customer service in the public service.

<b>(I) Exchequer Pay &amp; Pensions Bill</b>								
Year		2001	2002	2003	2004	2005	2006	2001-2006 increase
<b>Gross*</b>	€m	10,406	11,746	12,946	14,094	15,254	16,711	60.6%
<b>Net</b>	€m	10,186	11,489	12,773	13,746	14,973	16,186	58.9%
<b>% increase in Net Exchequer Pay &amp; Pensions Bill</b>			12.8%	11.2%	7.6%	8.9%	8.1%	

<b>(II) Net Exchequer Pay &amp; Pensions Bill as a Percentage of GDP and GNP</b>								
Year		2001	2002	2003	2004	2005	2006	2001 - 2006 increase
<b>GDP</b>	€m	117,114	130,515	139,097	148,556	159,900	172,550	47.3%
<b>Pay &amp; Pensions Bill as a % of GDP</b>		8.7%	8.8%	9.2%	9.3%	9.4%	9.4%	
<b>GNP</b>	€m	97,939	106,316	116,374	124,250	134,475	144,650	47.7%
<b>Pay &amp; Pensions Bill as a % of GNP</b>		10.4%	10.8%	11.0%	11.1%	11.1%	11.2%	

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

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

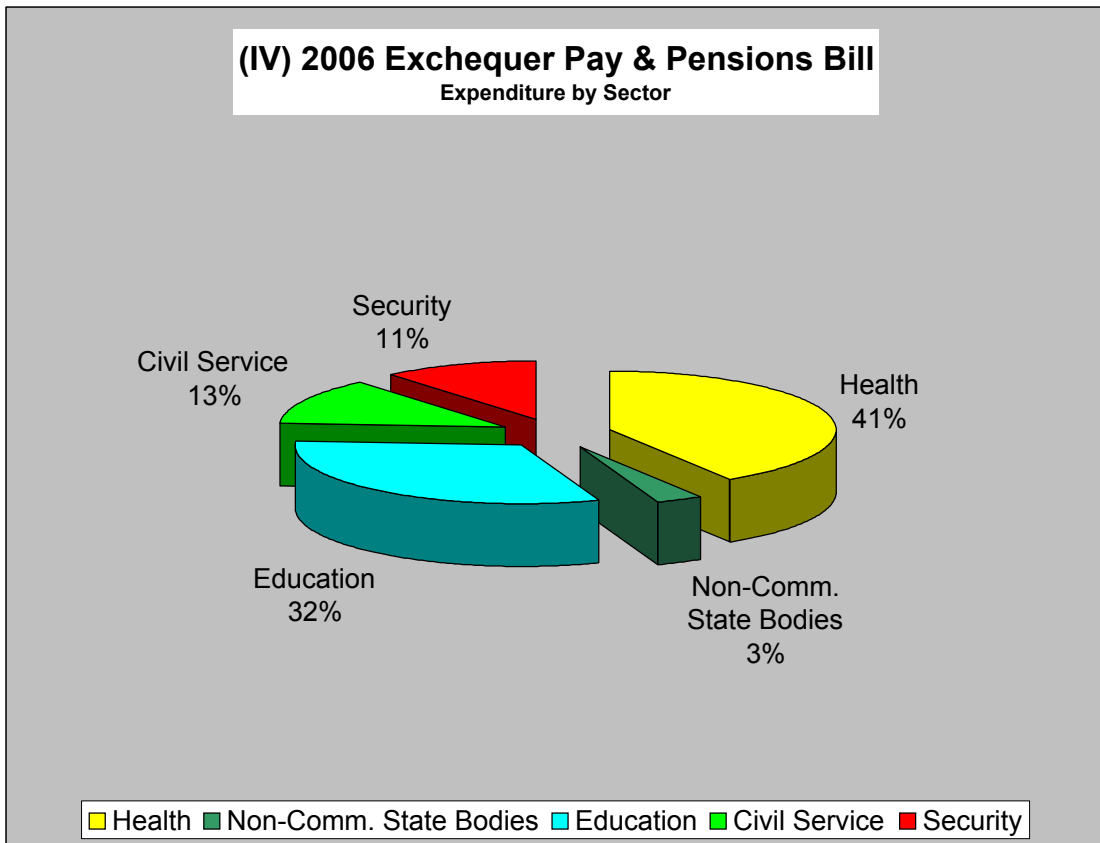
Year	2001	2002	2003	2004	2005	2006	2001-2006 increase
(a) Exchequer Pay and Pensions Bill	€m 10,186	11,489	12,773	13,746	14,973	16,186	
(b) Increase over previous year	€m	1,303	1,284	973	1,227	1,213	6,000
	%	12.8%	11.2%	7.6%	8.9%	8.1%	58.9%
(c) Increase due to general rounds	€m	654	224	538	542	521	2,479
	%	6.4%	1.9%	4.2%	3.9%	3.5%	24.3%
(d) Increase due to special / local bargaining increases (Including Benchmarking)	€m	6	718	310	166	128	1,328
	%	0.1%	6.2%	2.4%	1.2%	0.9%	13.0%
(e) Change due to other factors ( Residual )	€m	643	342	125	519	564	2,193
	%	6.3%	3.0%	1.0%	3.8%	3.8%	21.6%

#### Notes

1. The percentage figures at (b) show the overall increase in the Paybill for each year, the cumulative effect of which is 58.9% over the period.

The sum of the percentage figures for each year at (c), (d), and (e) 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 (see footnote 2, page 13). The estimated cumulative effect over the period for each individual factor is 24.3% ( general rounds ) 13% (local bargaining & Benchmarking) and 21.6% ( other ).

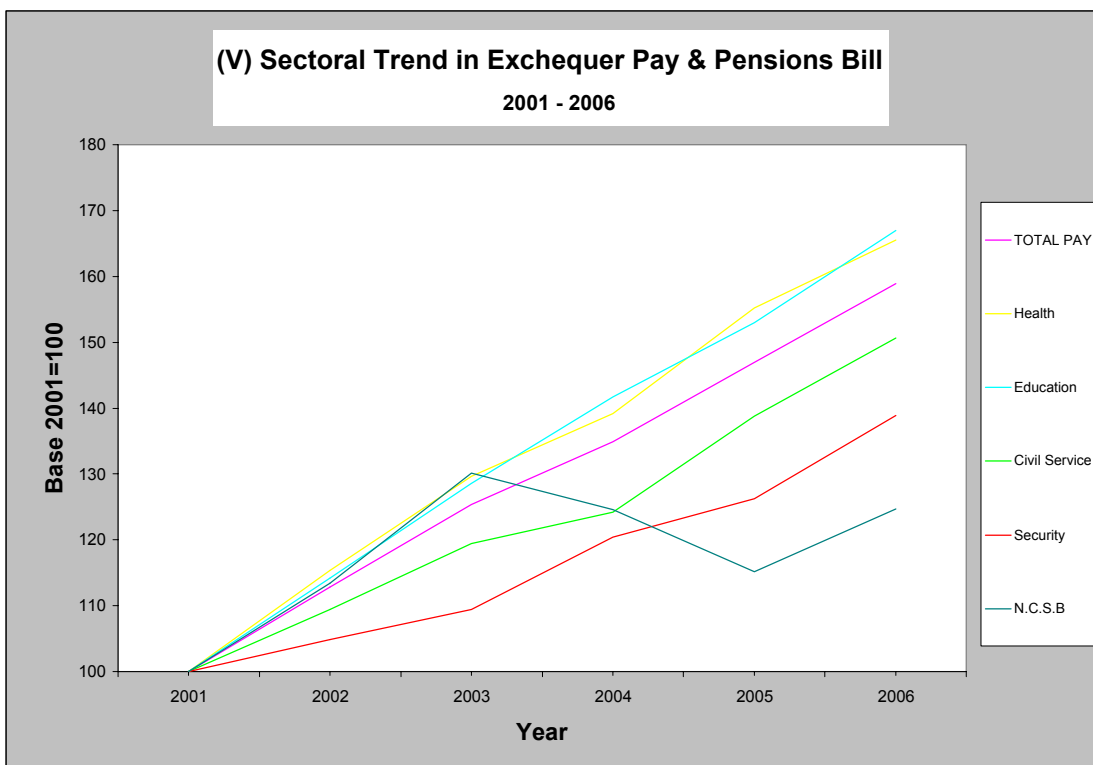
2. The Residual figure in 2006 of €564m includes €207m for increase in numbers employed and €357m for other developments, which includes HSE re-allocation, Health pay additions(LRC), Nursing Degree Programme, arrears of Part-time and Fixed-term Act in Education and reduction in ESF receipts, increase in pensions etc.



**Note**

Since 2001, Health has accounted for an increasing proportion of the Exchequer Pay and Pensions Bill, growing from 40% in 2001 to a high of 42% in 2005 although falling this year to 41%.

The proportion accounted for by Education has risen slightly from 30% to 32% in the period, Civil Service has fallen from 14% to 13% in the period, while the Security sector has fallen from 13% to 11% over the period. The Non-commercial State Bodies has fallen from 4% in 2001 to 3% this year.



<b>(VI) Sectoral Breakdown of Exchequer Pay and Pensions Bill 2001 - 2006</b>							
<b>YEAR</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>% increase 2001 - 2006</b>
	€m	€m	€m	€m	€m	€m	
Health	4,025	4,643	5,217	5,603	6,249	6,662	65.5%
Education	3,070	3,505	3,947	4,352	4,696	5,128	67.0%
Civil Service	1,385	1,515	1,654	1,720	1,921	2,086	50.7%
Security	1,287	1,350	1,409	1,549	1,625	1,787	38.9%
Non-Comm. State Bodies	419	476	546	523	483	523	24.7%
<b>TOTAL PAY AND PENSIONS</b>	<b>10,186</b>	<b>11,489</b>	<b>12,773</b>	<b>13,746</b>	<b>14,973</b>	<b>16,186</b>	<b>58.9%</b>
<b>% increase over previous year</b>		12.8%	11.2%	7.6%	8.9%	8.1%	

<b>(VII) Sectoral Breakdown of Exchequer Pay Bill 2001 - 2006</b>							
<b>(FIGURES INCLUDED IN TABLE (VI) ABOVE)</b>							
<b>YEAR</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>% increase 2001 - 2006</b>
	€m	€m	€m	€m	€m	€m	
Health	3,797	4,386	4,910	5,246	5,814	6,197	63.2%
Education	2,831	3,233	3,646	3,981	4,210	4,662	64.7%
Civil Service	1,234	1,350	1,469	1,527	1,685	1,826	48.0%
Security	1,047	1,084	1,122	1,232	1,281	1,411	34.8%
Non-Comm. State Bodies	401	451	519	505	464	502	25.1%
<b>TOTAL PAY</b>	<b>9,310</b>	<b>10,504</b>	<b>11,666</b>	<b>12,490</b>	<b>13,453</b>	<b>14,598</b>	<b>56.8%</b>
<b>% increase over previous year</b>		12.8%	11.1%	7.1%	7.7%	8.5%	

<b>(VIII) Sectoral Breakdown of Exchequer Pensions Bill 2001 - 2006*</b>							
<b>(FIGURES INCLUDED IN TABLE (VI) ABOVE)</b>							
<b>YEAR</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>% increase 2001 - 2006</b>
	€m	€m	€m	€m	€m	€m	
Health	228	257	307	357	435	465	103.9%
Education	239	272	301	371	486	466	95.0%
Civil Service	151	165	185	193	236	260	72.2%
Security	240	266	287	317	344	376	56.7%
Non-Comm. State Bodies	18	25	27	18	19	21	16.7%
<b>TOTAL PENSIONS</b>	<b>876</b>	<b>985</b>	<b>1,107</b>	<b>1,256</b>	<b>1,520</b>	<b>1,588</b>	<b>81.3%</b>
<b>% increase over previous year</b>		12.4%	12.4%	13.5%	21.0%	4.5%	

\* Net of Pension Contributions

**(IX) Breakdown by Vote of Exchequer Pay and Pensions Bill - Net**

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

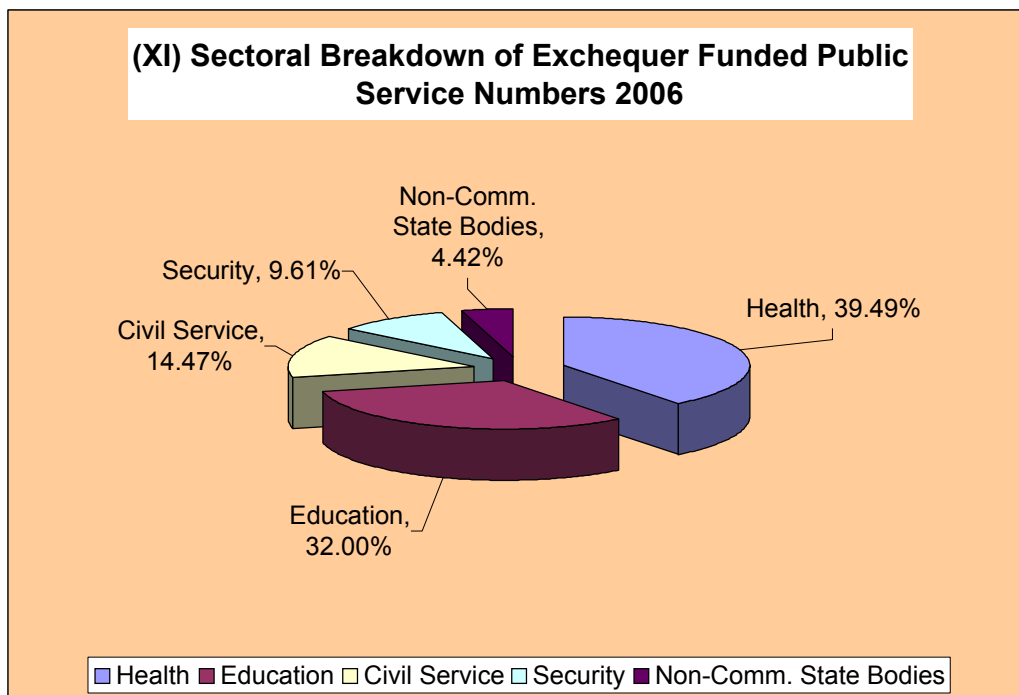
VOTE / DEPARTMENT	2005 Outturn €000	2006 Estimate €000	Increase/ Decrease €000	Increase/ Decrease %
01 President's Establishment	1,220	1,378	158	13%
02 Department of the Taoiseach	14,940	15,987	1,047	7%
03 Office of the Attorney General	8,961	9,853	892	10%
04 Central Statistics Office	29,291	38,348	9,057	31%
05 Office of the Comptroller & Auditor General	8,953	9,905	952	11%
06 Finance	35,986	38,813	2,827	8%
07 Superannuation and Retired Allowances	218,056	241,311	23,255	11%
08 Office of the Appeal Commissioners	336	470	134	40%
09 Office of the Revenue Commissioners	283,261	303,771	20,510	7%
10 Office of Public Works	91,078	98,317	7,239	8%
11 State Laboratory	4,799	5,011	212	4%
12 Secret Service				
13 Chief State Solicitors Office	11,820	13,129	1,309	11%
14 Director of Public Prosecutions	9,527	10,313	786	8%
15 Valuation Office	7,634	8,681	1,047	14%
16 Public Appointments Service	6,058	6,555	497	8%
17 Office of the Commission for Public Service Appts.	333	437	104	31%
18 Office of the Ombudsman	4,319	6,186	1,867	43%
19 Justice, Equality and Law Reform	85,856	111,589	25,733	30%
20 Garda Síochána	978,922	1,088,740	109,818	11%
21 Prisons	243,187	261,494	18,307	8%
22 Courts Service	46,920	50,282	3,362	7%
23 Land Registry and Registry of Deeds	26,296	27,821	1,525	6%
24 Charitable Donations and Bequests	274	371	97	35%
25 Environment, Heritage & Local Government	88,800	100,628	11,828	13%
26 Education and Science	4,762,288	5,202,275	439,987	9%
27 Community, Rural and Gaeltacht Affairs	37,464	41,574	4,110	11%
28 Foreign Affairs	78,072	79,510	1,438	2%
29 International Co-operation	11,978	14,064	2,086	17%
30 Communications, Marine & Natural Resources	78,099	71,359	-6,740	-9%
31 Agriculture & Food	292,259	305,696	13,437	5%
32 Transport	35,757	50,448	14,691	41%
33 National Gallery	4,432	4,770	338	8%
34 Enterprise, Trade and Employment	285,354	301,408	16,054	6%
35 Arts, Sport & Tourism	58,165	62,287	4,122	7%
36 Defence	507,543	549,392	41,849	8%
37 Army Pensions	155,882	168,761	12,879	8%
38 Social and Family Affairs	179,526	189,520	9,994	6%
39 Health and Children	31,087	34,217	3,130	10%
40 Health Services Executive	6,248,502	6,661,734	413,232	7%
<b>TOTAL :-</b>	<b>14,973,235</b>	<b>16,186,405</b>	<b>1,213,170</b>	<b>8%</b>

<b>( X ) PUBLIC SERVICE NUMBERS EMPLOYED (Wholetime equivalents)</b>							
<b>2001 - 2006</b>							
<b>( at the 1st of January each year )</b>							
	2001	2002	2003	2004	2005	2006	% Increase 2001 - 2006
Health	81,513	92,996	95,679	95,800	98,723	101,500	24.5%
Education	67,845	74,646	77,070	76,989	79,881	82,256	21.2%
Civil Service	34,068	36,092	37,796	37,276	36,867	37,200	9.2%
Security	24,439	24,268	24,292	24,332	24,828	24,700	1.1%
Non-Comm. State Bodies	10,388	11,086	11,612	11,367	11,095	11,357	9.3%
<b>Exchequer Funded</b>	<b>218,253</b>	<b>239,088</b>	<b>246,449</b>	<b>245,764</b>	<b>251,394</b>	<b>257,013</b>	<b>17.8%</b>
Increase over previous year		20,835	7,361	-685	5,630	5,619	
% Increase over previous year		9.5%	3.1%	-0.3%	2.3%	2.2%	
<b>Local Authorities</b>	<b>29,090</b>	<b>32,062</b>	<b>34,175</b>	<b>33,845</b>	<b>33,394</b>	<b>33,300</b>	<b>14.5%</b>
<b>Total Public Service</b>	<b>247,343</b>	<b>271,150</b>	<b>280,624</b>	<b>279,609</b>	<b>284,788</b>	<b>290,313</b>	<b>17.4%</b>
Increase over previous year		23,807	9,474	-1,015	5,179	5,525	
% Increase over previous year		9.6%	3.5%	-0.4%	1.9%	1.9%	

Source: Central Section, Public Expenditure Division, Department of Finance

The increase in Exchequer-funded numbers employed is caused mainly by additional staff in the disability area of the Health Sector (this reflects additional funding assigned to the intellectual disability sector in 2004); additional special needs assistants in the Education sector.

These numbers differ from the numbers published in the annual Revised Estimates Volumes (see table XIII - Page 12). This is because the Revised Estimates Volume uses average public service numbers over the year and includes pensioners in Vote 7 and other Votes whereas the above table uses the numbers at the 1st of January each year and does not include pensioners.



## (XII) Average Public Service Employee and Pensioner Numbers underpinning the Exchequer Pay and Pensions Bill

Source: Tables 5 from the Revised Estimates Volume.

VOTE / SERVICE	2002	2003	2004	2005	2006 Estimate
01 President's Establishment	32	27	27	27	28
02 Department of the Taoiseach	253	253	274	270	264
03 Office of the Attorney General	147	146	138	143	135
04 Central Statistics Office	608	601	686	814	904
05 Office of the Comptroller & Auditor General	137	152	177	162	175
06 Office of the Minister for Finance	780	787	786	629	674
07 Superannuation and Retired Allowances	13,952	14,047	14,047	14,086	14,483
08 Office of the Appeal Commissioners	0	4	4	5	5
09 Office of the Revenue Commissioners	6,463	6,440	6,444	6,445	6,452
10 Office of Public Works	1,306	1,286	1,955	2,044	2,174
11 State Laboratory	86	94	92	92	98
12 Secret Service					
13 Chief State Solicitors Office	230	257	220	224	232
14 Director of Public Prosecutions	168	167	169	170	174
15 Valuation Office	140	170	182	157	180
16 Public Appointments Service	187	182	155	144	149
17 Office of the Commission for Public Service Appointments			6	8	8
18 Office of the Ombudsman	78	78	77	75	102
19 Justice, Equality and Law Reform	1,801	1,721	1,700	1,692	2,003
20 Garda Síochána	20,474	20,884	20,816	21,486	23,108
21 Prisons	3,761	3,657	3,652	3,691	3,598
22 Courts Service	1,027	1,030	1,030	1,029	1,019
23 Land Registry and Registry of Deeds	663	663	655	647	650
24 Charitable Donations and Bequests	8	8	8	8	8
25 Environment, Heritage & Local Government	2,327	2,770	2,118	1,997	2,071
26 Education and Science	86,498	95,384	96,785	101,328	104,112
27 Community, Rural and Gaeltacht Affairs	1,333	813	850	889	906
28 Foreign Affairs	1,408	1,449	1,449	1,283	1,263
29 International Co-operation	190	190	190	197	225
30 Communications, Marine & Natural Resources	1,621	1,956	1,829	1,866	1,741
31 Agriculture & Food	6,594	6,667	6,726	6,639	6,695
32 Transport	738	681	705	704	904
33 National Gallery	103	103	103	101	101
34 Enterprise, Trade and Employment	6,048	8,770	6,278	6,229	6,259
35 Arts, Sport & Tourism	1,304	1,347	1,347	1,280	1,353
36 Defence	12,349	12,133	12,014	11,879	11,902
37 Army Pensions	11,827	11,815	11,794	11,690	11,588
38 Social and Family Affairs	4,427	4,433	4,414	4,428	4,472
39 Health and Children	110,075	113,825	688	680	630
40 Health Services Executive			114,362	115,736	120,531
Houses of the Oireachtas & European Parliament*	1,153				
Ordnance Survey**	0				
An Chomhairle Ealaíon***	48				
<b>TOTAL :-</b>	<b>300,344</b>	<b>314,990</b>	<b>314,952</b>	<b>320,974</b>	<b>331,376</b>
<b>Increase over previous year</b>		<b>14,646</b>	<b>-38</b>	<b>6,022</b>	<b>10,402</b>
<b>% Increase over previous year</b>		<b>4.88%</b>	<b>-0.01%</b>	<b>1.91%</b>	<b>3.24%</b>

\*The Houses of the Oireachtas and European Parliament was funded from a dedicated vote (no. 2) up to 2003.

In accordance with the Houses of the Oireachtas Commission Act 2003, these expenses are paid directly from the Central Fund with effect from 1 January 2004 and associated numbers are treated similarly

\*\*The 2002, 2003 & 2004 associated public sector number for Ordnance Survey Ireland are included in Vote 6 - Office of the Minister for Finance

\*\*\*An Chomhairle Ealaíon has transferred to Arts Sports & Tourism

- The average 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.
- The average public service employment figures included in this table are not fully compatible with the Exchequer pay and pensions figures shown in Tables 3A (page 28) and 4 (page 21) of the Revised Estimates Volume. The figures in Tables 3A and 4 of the Revised Estimates Volume may include some expenditure which is classified as pay but which has no corresponding public service numbers in the table above. In addition, pensions costs are included in some votes (such as Garda, Health and Children, Education and Science) whereas they are not included in Government Departments (all civil service pensions being covered in Vote 7). This distorts average figures derived and as a result the data in Tables 3A, 4 and 5 of the Revised Estimates Volume should not be used to derive average public service costs.

**(XIII) 2006 EXCHEQUER NET PAY AND PENSIONS BILL and AVERAGE PUBLIC SERVICE NUMBERS**

VOTE / DEPARTMENT	Public Service Pay €000	Public Service Pensions €000	Total Pay & Pensions €000	Public Service Numbers	Pension Numbers	Total Numbers
Source: 2005 Revised Estimates Volume						
01 PRESIDENT'S ESTABLISHMENT	1,378		1,378	28		28
02 TAOISEACH	15,987		15,987	264		264
03 ATTORNEY GENERAL	9,853		9,853	135		135
04 CSO	38,348		38,348	904		904
05 C&AG	9,905		9,905	175		175
06 DEPT. OF FINANCE	38,813		38,813	674		674
07 SUPERANNUATION		241,311	241,311		14,483	14,483
08 APPEAL COMMISSIONERS	470		470	5		5
09 REVENUE COMMISSIONERS	303,771		303,771	6,452		6,452
10 OFFICE OF PUBLIC WORKS	98,317		98,317	2,174		2,174
11 STATE LABORATORY	5,011		5,011	98		98
13 CSSO	13,129		13,129	232		232
14 DPP	10,313		10,313	174		174
15 VALUATION OFFICE	8,681		8,681	180		180
16 PUBLIC APPTS. SERVICE	6,555		6,555	149		149
17 CPSA	437		437	8		8
18 OFFICE OF THE OMBUDSMAN	6,186		6,186	102		102
19 MINISTER FOR JUSTICE	111,589		111,589	2,003		2,003
20 GARDA SIOCHÁNA	855,134	233,606	1,088,740	15,529	7,579	23,108
21 PRISONS	261,494		261,494	3,598		3,598
22 COURTS	50,282		50,282	1,019		1,019
23 LAND REGISTRY	27,821		27,821	650		650
24 CHARITABLE DONATIONS	371		371	8		8
25 ENVIRONMENT	98,578	2,050	100,628	1,970	101	2,071
26 EDUCATION AND SCIENCE	4,793,494	408,781	5,202,275	84,315	19,797	104,112
27 COMM. RURAL & GAEL. AFF	38,614	2,960	41,574	791	115	906
28 FOREIGN AFFAIRS	79,510		79,510	1,263		1,263
29 INTERNAT. CO-OPERATION	14,064		14,064	225		225
30 COMMUNICATIONS, MARINE	71,359		71,359	1,421	320	1,741
31 AGRICULTURE AND FOOD	282,021	23,675	305,696	5,527	1,168	6,695
32 TRANSPORT	50,448		50,448	904		904
33 NATIONAL GALLERY	4,770		4,770	101		101
34 ENTERPRISE TRADE & EMPLOYMENT	303,773	-2,365	301,408	5,325	934	6,259
35 ARTS, SPORT & TOURISM	62,287		62,287	1,143	210	1,353
36 DEFENCE	549,392		549,392	11,902		11,902
37 ARMY PENSIONS	102	168,659	168,761	2	11,586	11,588
38 SOCIAL & F/AFFAIRS	189,520		189,520	4,472		4,472
39 HEALTH AND CHILDREN	34,217		34,217	630		630
40 HEALTH SERVICES EXECUTIVE	6,175,428	486,306	6,661,734	103,215	17,316	120,531
<b>TOTAL :-</b>	<b>14,621,422</b>	<b>1,564,983</b>	<b>16,186,405</b>	<b>257,767</b>	<b>73,609</b>	<b>331,376</b>

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

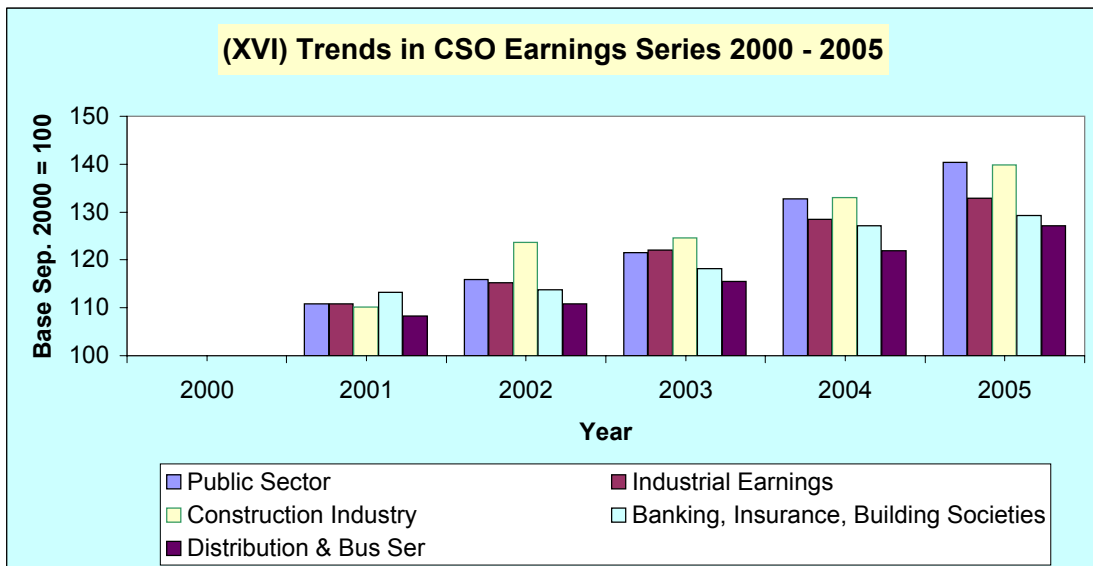
Year	2001	2002	2003	2004	2005 O/Turn	2006 REV
<b>1. GROSS and NET CURRENT PAYBILL</b>	€m	€m	€m	€m	€m	€m
<b>(a) Gross Current</b>	<b>26,328</b>	<b>30,236</b>	<b>33,013</b>	<b>36,032</b>	<b>39,285</b>	<b>43,876</b>
(b)Gross Exchequer Pay & Pensions	10,394	11,746	13,032	14,094	15,493	16,711
Pay as % of Gross current spending	39%	39%	39%	39%	39%	38%
<b>(c) Net Current</b>	<b>20,436</b>	<b>23,345</b>	<b>25,444</b>	<b>27,149</b>	<b>29,724</b>	<b>33,490</b>
(d) Net Exchequer Pay & Pensions	10,186	11,489	12,773	13,746	14,973	16,186
Pay as % of Net current spending	50%	49%	50%	51%	50%	48%
<b>Year-on-year per cent increase</b>	<b>31%</b>	<b>13%</b>	<b>11%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>
<b>2. Paybill (Gross v Net)</b>	€m	€m	€m	€m	€m	€m
(a) Gross	10,394	11,746	13,032	14,094	15,493	16,711
(b) Net	10,186	11,489	12,773	13,746	14,973	16,186
A in A (1)	208	257	259	348	520	525
<b>3. Average Public Service Numbers</b> (excluding Local Authorities)	286,983	300,344	314,990	314,952	320,974	331,376
Year-on-Year increase	4.98%	4.66%	4.88%	-0.01%	1.91%	3.24%
<b>Average Public Service numbers</b> (excluding Pensioners)	222,396	235,191	243,294	244,045	248,950	257,767
Year-on-Year increase	5.80%	5.75%	3.45%	0.31%	2.01%	3.54%
	64,587	65,153	71,696	70,907	72,024	73,609
	2.25%	0.88%	10.04%	-1.10%	1.58%	2.20%

**(1). 2006 A in A breakdown**

	€m
Pay - mainly Education ( ESF receipts and fees)	138
Pensions - Civil Service, Health, Education, Guards and Army	387
<b>Total</b>	<b>525</b>

(XV) Central Statistics Office Earnings Data

	% Annual Increase to Sept 2005	% Increase Sep-00 to Sept 2005	Average Weekly Earnings Sep-05
<b>Public Sector</b> ( excluding health )	5.7%	40.4%	€ 848.87
Civil Service	6.5%	42.2%	784.95
Defence	2.9%	39.4%	691.28
Garda	5.4%	33.2%	1090.62
Education	4.9%	34.5%	872.90
Regional Bodies	11.7%	51.4%	739.27
Semi-State	4.0%	43.8%	901.53
<b>Industrial Earnings</b>			
All Industrial Workers	3.0%	31.8%	579.32
Clerical and Managerial	3.6%	30.8%	874.02
All Employees	3.5%	32.9%	682.80
<b>Construction Industry</b>			
Skilled Operatives	7.4%	40.4%	902.46
Unskilled Operatives	6.2%	35.2%	722.99
Total Clerical and Operatives	6.0%	39.9%	755.54
<b>Banking, Insurance &amp; Building Societies (total)</b>	1.7%	26.4%	754.62
<b>Distribution and Business Services (total)</b>	4.2%	27.1%	643.72



## **(XVII) 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 2006 Revised Estimates Volume includes:-

- i. a summary line in each vote showing its total pay and pensions provision
- ii. a table ( Table 3A ) summarising the pay and pensions provision in each Vote ( see table IX in this booklet )
- iii. a table ( Table 5 ) of average public service numbers underlying the pay and pensions provision in each vote ( see table XII in this booklet ) and
- iv. the total Paybill, in net and gross terms, for each of the years 2002 to 2006 inclusive (Tables 4A and 6 respectively).

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

In general, it is not possible to determine changes in the earnings of public servants from changes in the Paybill. The best source of data in this respect is the Public Service Average Earnings Index produced by the Central Statistics Office. Details are provided in Table XV.

### 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 such as members of the Oireachtas; and
- ii. the Security category includes the costs of both the Garda Síochána and the Defence Forces ( including civilian employees in the Defence Forces).

### 4. Reasons for Increases 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.

### 5. Public Service Numbers

Table XII contains information from Table 5 in the 2001 to 2006 Revised Estimates Volumes. This sets out the average Public Service employee and pensioner numbers underlying the Exchequer Pay and Pensions Bill.

### 6. 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 and ESF funding).

### 7. Contact Names

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

Name	Phone no.	Fax	E-mail
Joe Drein	(01) 6045409	(01) 6045499	Joe.Drein@finance.gov.ie
Tony Cleary	(01) 6045410	(01) 6045499	Tony.Cleary@finance.gov.ie