

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

**2005 - 2010**

**JUNE 2010**

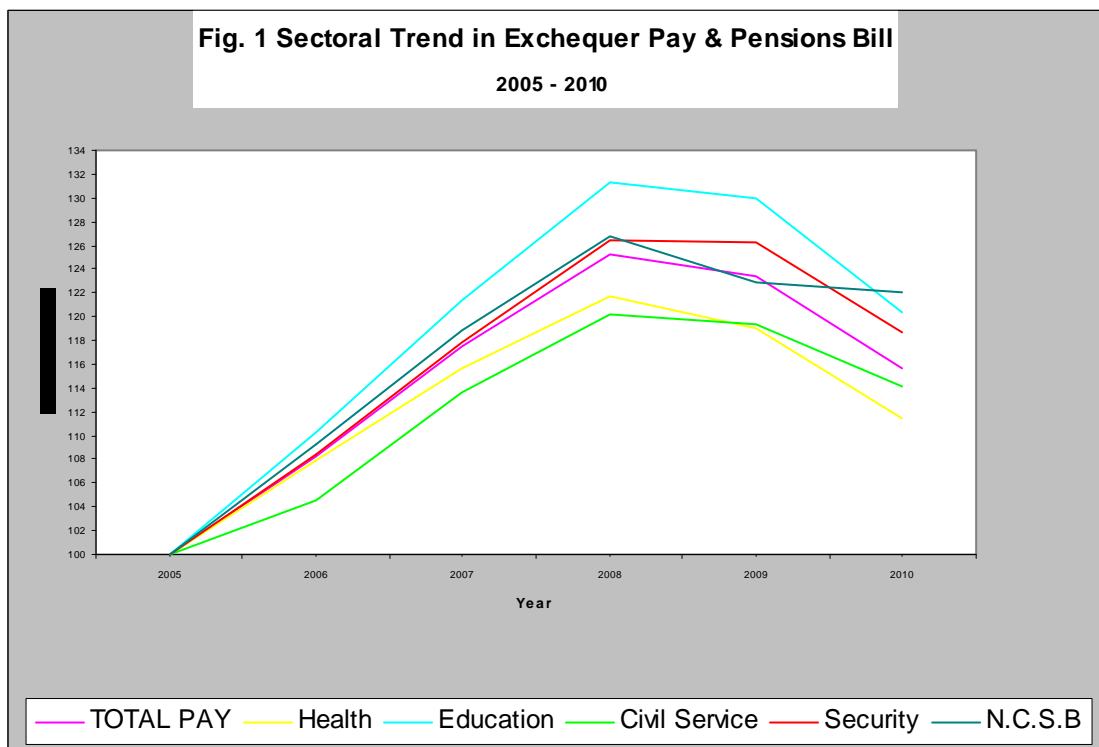
# **Analysis of Exchequer Pay and Pensions Bill 2005 - 2010**

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**Review**

This booklet examines trends in Net Exchequer Pay and Pensions (the “Pay bill”) since 2005 based on data in the Revised Estimates for 2010. 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.

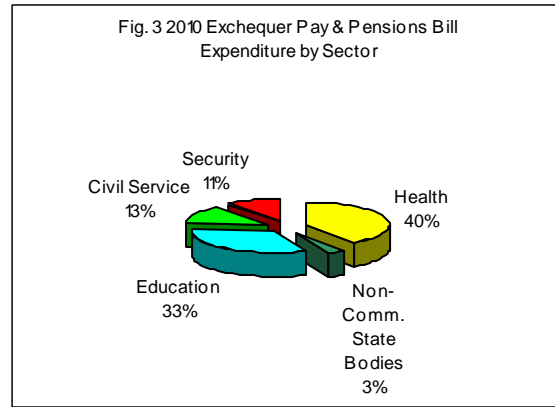
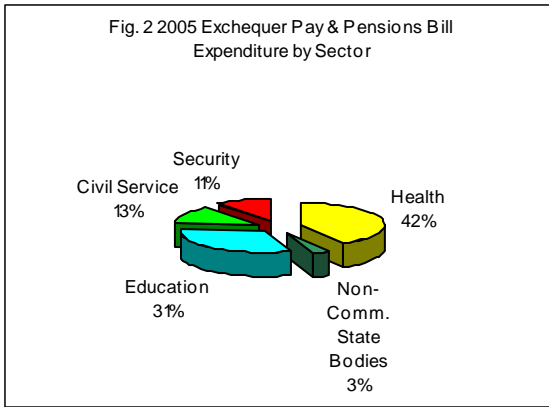
A review of the very significant developments in Public Service Pay in 2009 and 2010 is also included. These developments include the first reduction in pay to public servants since 1933. Details of developments in the Pay bill since 2005 are shown in the accompanying tables and charts. In summary these are:



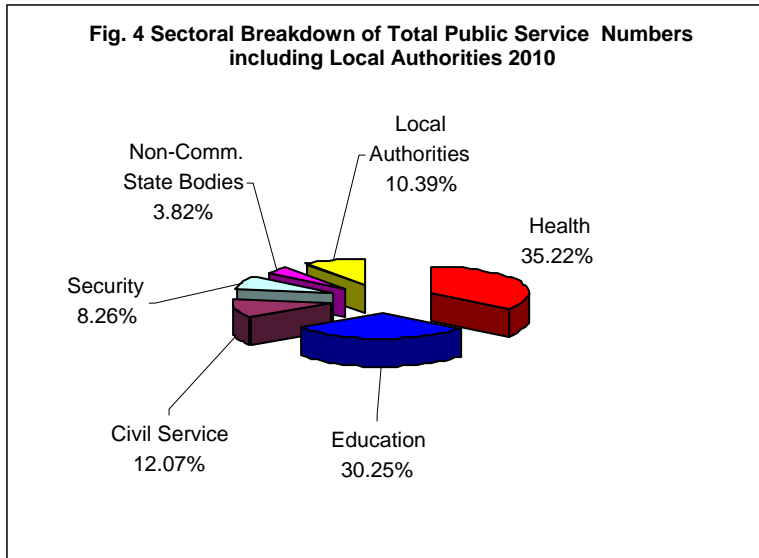
- in the period 2005 to 2010 the net Pay and Pensions bill is projected to increase by 15.7% (Table I);
- in 2010 the pay bill will amount to €15,092m, a decrease of 8.4% over the 2009 figure of €16,471m (Table V). This figure was offset by an increase in the pensions bill. The decrease in the pay bill over the 2009 figure 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;

- increases over the period 2005 to 2010 were due to general rounds totalling €2,410m (or 16.1%), the final effects in 2005 of the First Benchmarking exercise of €128m (or 0.9%). These have been offset by a reduction in the period of €184m (or -1.2%) (Table III);
- the pay bill has decreased from €17,097m in 2008 to €15,092 in 2010, a decrease of 11.7% (Table V);
- receipts in respect of the Pension Related Deduction were €31m in 2009 and are expected to be €75m in 2010;
- from 2005 to 2007 the pay and pensions bill stayed fairly constant as a percentage of GNP and GDP at 10.8% and 9.2% respectively, but in view of the decline in GNP and GDP, it has increased in 2010 to 13.4% and 10.8% respectively (Table II) notwithstanding the measures taken to reduce the pay bill in 2010;
- the net Pay and Pensions bill as a percentage of net non-capital Exchequer spending has decreased from 50% in 2005 to 43% in 2010 (Table XIII);



- The proportion of the pay bill accounted for by the different sectors has remained broadly similar over the period. The exception is the education sector pay bill, which increased over the period by 20.4% (compared to a 13.6% rise in the rest of the Pay and Pensions bill), and is expected to account for 32.6% of the total Pay bill in 2010 as opposed to 31.4% in 2005. The proportion of the pay bill accounted for by the health sector has reduced from 41.7% to 40.2% over the period notwithstanding an increase in numbers employed in that sector (Table IV);
- the number of Exchequer-funded public service employees (excluding local authorities) estimated for 2010 is 277,604 (whole-time equivalents), an increase of 26,210 or 10.4% over 2005, mainly in Health and Education (Table IX). This reflects a 10.5% increase in staff in the Health sector and a 17.3% increase in staff in the Education sector over the period;
- public service numbers and pensioners, based on whole time equivalent measurement increased to 380,953 in 2010 from 373,228 in 2009. While serving numbers are estimated to further decrease from a 2009 outturn of 278,106 to 277,540 in 2010 pension numbers are estimated to increase from 95,122 to 103,413 over the same period (Table XI). Figures are based on end 2009 outturn and 2010 estimate;



- pensions now account for 12.9% of the total Pay and Pension Pay bill, up from 9% in 2005. Overall, the pensions bill has increased from €1,350m in 2005 to €2,235m in 2010 representing a 65.6% increase over the period (pay in contrast rose by 10.8%) (Tables V and VI). The pensions bill has increased by 35% since 2008. This is mainly attributable to an increase in retirements in 2009 including those under the Incentivised Scheme for Early Retirement.

## Review of developments in 2009 and 2010

### Public Service Pay

Because of the then evident deterioration in the Exchequer finances, the Government decided in February 2009 that the increases to public servants' pay proposed under "*Towards 2016 – Review and Transitional Agreement 2008-2009*" were not sustainable in the prevailing economic circumstances. Further measures to address the rapidly widening gap between Government expenditure and revenues included expenditure reductions in February 2009 and the Supplementary Budget in April 2009. As part of the expenditure reduction provisions announced in February 2009 a pension-related reduction was introduced for public servants.

### **Pension-related Deduction**

The pension related deduction was introduced under the Financial Emergency Measures in the Public Interest Act 2009 and took effect from 1 March 2009. The deduction took account of the need to reduce public service pay costs. As public servants enjoy significantly better pension terms than the generality of their counterparts in the private sector, both in terms of the benefits of their pension schemes and greater security, it was considered appropriate that a deduction should be made to reflect this reality. On average, the deduction was 7.5%. A slight recasting of the structure of the deduction was introduced in the Supplementary Budget on 7<sup>th</sup> April 2009 to reduce somewhat the impact on the lowest paid public servants with a small increase at the higher levels. The effect of the recasting was that the average deduction is now a little under 7%. It is significantly less than this at lower income levels and greater at higher levels.

The provisional outturn for the pension- related deduction for 2009 in respect of exchequer funded public service employees (over nine months) is €31 million. The expected yield in 2010 is €75 million.

### **Pay Cut**

Notwithstanding the measures on spending already adopted by the Government, 2009 saw a period of rapidly reducing revenues due to the contraction in economic activity and upward pressures on the spending side prompted by the rising cost of social transfers and the increasing debt service burden. The Exchequer outturn for 2009 resulted in a deficit in excess €24bn. With public service pay and pensions accounting for 36% of all current expenditure, the necessary measures to reduce public expenditure and begin the process of stabilising and turning around the public finances under a programme agreed with the European Union required a further significant reduction in the pay and pensions bill.

A negotiated agreement was the preferred option of the Government and public service trade unions to secure the necessary savings. However, no agreement could be reached with the public service unions on the measures necessary to effect a sustainable reduction in the pay bill for 2010. Accordingly, for the first time since 1933, legislative measures were brought forward by the Government to reduce the salaries of public servants through the enactment of

the Financial Emergency Measures in the Public Interest (No. 2) Act, 2009 with effect from 1 January 2010.

### **Provisions of Legislation**

The scale of reductions provided for in the Act and implemented with effect from 1 January 2010 resulted in overall reductions in salaries for public servants in general ranging from 5% to 15%. The average reduction being 6.2%.

The reductions in public service pay implemented under the Act, will result in an estimated reduction of up to €1bn in the pay bill in 2010 compared to 2009.

### **Industrial Relations**

The industrial relations landscape in 2009 was dominated by determined efforts by both public service management and public service unions to reach agreement on a range of reform measures that could deliver savings in the public sector pay bill in 2010 and would avoid the need to impose pay reductions on public servants, along with industrial action taken by public service unions in response to the measures already adopted by the Government. While significant progress was achieved, no overall agreement could be concluded at that time. The imposition of the pay reductions under the Financial Emergency Measures in the Public Interest (No. 2) Act 2009 and implemented from 1 January 2010 precipitated a co-ordinated programme of industrial action across the public service in the spring of 2010. While front line and emergency services were largely protected from the effects of the industrial action, the ongoing programme of disruption caused increasing difficulties in the provision of some public services.

Ultimately, following an intense and difficult process of engagement and discussion between public service employers and the Public Services Committee of the Irish Congress of Trade Unions, facilitated by the Labour Relations Commission, a draft agreement was reached between the parties which provided for the settlement of the industrial relations dispute in the public service. The Public Service Agreement, known colloquially as the “Croke Park Agreement”, was ratified on 15 June 2010, following a ballot of public service union members, by the Public Service Committee of the Irish Congress of Trade Unions. The Agreement provides that account will be taken of sustainable savings generated from the

implementation of the Agreement in the public service. The sustainable savings will be independently verified by an Implementation Body which is provided for under the Agreement.

Under the Agreement, the Government has given commitments to:

- No further reductions in the pay rates of serving public servants during the course of the Agreement;
- No compulsory redundancies, when allied with flexible redeployment;
- A 2010 timeframe for conclusions to consultations on the public service pension scheme for new entrants; the method of determining pension increases for existing public service pensioners and current public servants will also be examined; and the extension by a year of the period for which the January 2010 pay reductions will be disregarded for the purposes of calculating public service pension entitlements; and
- A review of the pay policy for public servants in Spring 2011, and annually thereafter, in advance of the statutory date of 30 June 2011 specified in the Financial Emergency Measures in the Public Interest Acts of 2009. Sustainable and verifiable savings generated from the implementation of this Agreement will be taken into account. In the event of sufficient savings being identified in the Spring 2011 review, priority will be given to public servants earning €35,000pa or less.

The trade unions have given a commitment to:

- Flexible redeployment within public service sectors, and where necessary to bodies within the wider public service, within a geographic radius of 45 kilometres, to facilitate Government decisions on rationalisation and restructuring;
- Specific commitments on changes in work practices in each sector to deliver savings and efficiencies necessary as the number of public servants fall;
- More open recruitment of skilled individuals and significantly improved performance management across all Public Service areas, with promotion based on performance as a norm;

- Compliance with a fast-track and timebound mechanism to resolve disputes arising out of the Agreement;
- The establishment of a body designed to drive transformation across sectors, to help resolve disagreements and to independently verify the savings derived from the implementation of the sectoral agreements; and
- A commitment to industrial peace and to no cost-increasing claims for improvements in pay or conditions of employment during the Agreement.

### **Outlook for 2010**

With the ratification of the Croke Park Agreement, the emphasis in the second half of 2010 will be to move ahead with implementation of the terms of the Agreement. The Implementation Body will have an important role in driving implementation. It is clear that management and staff in all sectors will have to work together to deliver on the potential of the Agreement which provides an agreed shared vision for transformation in all sectors of the Public Service, and an agreed path on how it is to be achieved.

Consultations on a new single pension scheme for all new entrants to the Public Service will be concluded in time for legislation to be enacted to allow for the introduction of the scheme on 1 January 2011. Discussions will take place on the method of determining pension increases for existing Public Service pensioners and current public servants in the context of the review of pay policy in Spring 2011.

<b>(I) Exchequer Pay &amp; Pensions Bill</b>								
Year		2005	2006	2007	2008	2009	2010	2005-2010 increase
<b>Gross*</b>	€m	15,493	16,780	18,161	19,353	19,956	18,819	21.5%
<b>Net</b>	€m	14,973	16,218	17,600	18,753	18,478	17,327	15.7%
<b>% increase/decrease in Net Exchequer Pay &amp; Pensions Bill</b>			8.3%	8.5%	6.6%	-1.5%	-6.2%	

<b>(II) Net Exchequer Pay &amp; Pensions Bill as a Percentage of GDP and GNP</b>								
Year		2005	2006	2007	2008	2009	2010	2005 - 2010 increase
<b>GDP</b>	€m	162,314	177,343	189,374	179,989	159,646	160,925	-0.9%
<b>Pay &amp; Pensions Bill as a % of GDP</b>		9.2%	9.1%	9.3%	10.4%	11.6%	10.8%	
<b>GNP</b>	€m	138,053	154,078	162,853	154,672	131,241	129,100	-6.5%
<b>Pay &amp; Pensions Bill as a % of GNP</b>		10.8%	10.5%	10.8%	12.1%	14.1%	13.4%	

\* 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	2005	2006	2007	2008	2009	2010	2005-2010 increase
(a) Exchequer Pay and Pensions Bill	€m 14,973	16,218	17,600	18,753	18,478	17,327	
(b) Increase/Decrease over previous year		€m 1,245	1,382	1,153	-275	-1,151	2,354
		% 8.3%	8.5%	6.6%	-1.5%	-6.2%	15.7%
(c) Increase due to general rounds	€m	562	873	715	260	0	2,410
		% 3.8%	5.4%	4.1%	1.4%	0.0%	16.1%
(d) Increase due to special / local bargaining increases (Including First Benchmarking exercise)	€m	128	0	0	0	0	128
		% 0.9%	0.0%	0.0%	0.0%	0.0%	0.9%
(e) Change due to other factors (Residual)	€m	555	509	438	-535	-1,151	-184
		% 3.7%	3.1%	2.5%	-2.9%	-6.2%	-1.2%

#### Notes

1. The percentage figures at (b) show the overall increase in the Paybill for each year, the cumulative effect of which is 15.7% 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. The estimated cumulative effect over the period for each individual factor is 16.1% ( general rounds ) 0.9% (local bargaining & First Benchmarking exercise) and -1.2% ( other ).

2. The Residual figures in 2009 and 2010 includes receipts in respect of the pension related deduction. These are treated as an appropriation-in-aid.

<b>(IV) Sectoral Breakdown of Exchequer Pay and Pensions Bill 2005 - 2010</b>							
YEAR	2005	2006	2007	2008	2009	2010	% increase 2005 - 2010
Health	€m 6,249	€m 6,746	€m 7,229	€m 7,609	€m 7,439	€m 6,961	11.4%
Education	4,696	5,177	5,696	6,167	6,101	5,655	20.4%
Civil Service	1,921	2,008	2,184	2,310	2,292	2,194	14.2%
Security	1,625	1,760	1,915	2,055	2,052	1,927	18.6%
Non-Comm. State Bodies	483	528	574	613	594	590	22.0%
<b>TOTAL PAY AND PENSIONS</b>	<b>14,973</b>	<b>16,218</b>	<b>17,600</b>	<b>18,753</b>	<b>18,478</b>	<b>17,327</b>	<b>15.7%</b>
% increase over previous year		8.3%	8.5%	6.6%	-1.5%	-6.2%	

<b>(V) Sectoral Breakdown of Exchequer Pay Bill 2005 - 2010</b>							
<b>(FIGURES INCLUDED IN TABLE (IV) ABOVE)</b>							
YEAR	2005	2006	2007	2008	2009	2010	% increase 2005 - 2010
Health	€m 5,984	€m 6,480	€m 6,960	€m 7,350	€m 7,109	€m 6,507	8.8%
Education	4,210	4,637	5,140	5,484	5,305	4,877	15.8%
Civil Service	1,685	1,764	1,917	2,033	1,946	1,765	4.7%
Security	1,281	1,397	1,534	1,644	1,567	1,426	11.4%
Non-Comm. State Bodies**	464	508	549	587	544	517	11.3%
<b>TOTAL PAY</b>	<b>13,623</b>	<b>14,785</b>	<b>16,102</b>	<b>17,097</b>	<b>16,471</b>	<b>15,092</b>	<b>10.8%</b>
% increase over previous year		8.5%	8.9%	6.2%	-3.7%	-8.4%	

<b>(VI) Sectoral Breakdown of Exchequer Pensions Bill 2005 - 2010</b>							
<b>(FIGURES INCLUDED IN TABLE (IV) ABOVE)</b>							
YEAR	2005	2006	2007	2008	2009	2010	% increase 2005 - 2010
Health*	€m 265	€m 266	€m 269	€m 259	€m 330	€m 454	71.3%
Education	486	540	556	683	796	778	60.1%
Civil Service	236	244	267	277	346	429	81.8%
Security	344	363	381	411	485	501	45.6%
Non-Comm. State Bodies**	19	20	25	26	50	73	284.2%
<b>TOTAL PENSIONS</b>	<b>1,350</b>	<b>1,433</b>	<b>1,498</b>	<b>1,656</b>	<b>2,007</b>	<b>2,235</b>	<b>65.6%</b>
% increase over previous year		6.1%	4.5%	10.5%	21.2%	11.4%	

\*In last years publication the pension figures for 2004-2008 were shown on a gross basis. This has now been changed and pension figures are now shown net of superannuation receipts retained by the HSE and used to offset pension costs

\*\*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 annual Revised Estimates for Public Services

VOTE / DEPARTMENT	2009 Outturn €000	2010 Estimate €000	Increase/ Decrease €000	Increase/ Decrease %
01 President's Establishment	1,558	1,495	-63	-4%
02 Department of the Taoiseach	16,167	14,726	-1,441	-9%
03 Office of the Attorney General	11,339	10,827	-512	-5%
04 Central Statistics Office	36,960	36,309	-651	-2%
05 Office of the Comptroller & Auditor General	9,959	9,603	-356	-4%
06 Finance	39,412	35,300	-4,112	-10%
07 Superannuation and Retired Allowances	0	0	0	0%
08 Office of the Appeal Commissioners	401	430	29	7%
09 Office of the Revenue Commissioners	315,323	283,726	-31,597	-10%
10 Office of Public Works	102,289	94,578	-7,711	-8%
11 State Laboratory	5,269	5,125	-144	-3%
12 Secret Service	0	0	0	0%
13 Chief State Solicitor's Office	14,996	14,156	-840	-6%
14 Director of Public Prosecutions	12,991	12,658	-333	-3%
15 Valuation Office	8,319	8,097	-222	-3%
16 Public Appointments Service	6,347	4,936	-1,411	-22%
17 Office of the Commission for Public Service Appts.	618	520	-98	-16%
18 Office of the Ombudsman	5,756	5,867	111	2%
19 Justice, Equality and Law Reform	161,162	144,899	-16,263	-10%
20 Garda Síochána	1,021,807	933,349	-88,458	-9%
21 Prisons	245,646	239,509	-6,137	-2%
22 Courts Service	55,486	50,359	-5,127	-9%
23 Property Registration Authority	28,838	27,283	-1,555	-5%
24 Charitable Donations and Bequests	320	357	37	12%
25 Environment, Heritage & Local Government	107,440	96,286	-11,154	-10%
26 Education and Science	5,378,061	4,944,478	-433,583	-8%
27 Community, Rural and Gaeltacht Affairs	37,962	36,481	-1,481	-4%
28 Foreign Affairs	80,611	76,200	-4,411	-5%
29 International Co-operation	15,682	14,986	-696	-4%
30 Communications, Energy & Natural Resources	41,348	35,434	-5,914	-14%
31 Agriculture, Fisheries & Food	303,395	269,672	-33,723	-11%
32 Transport	63,134	56,418	-6,716	-11%
33 National Gallery	5,863	5,434	-429	-7%
34 Enterprise, Trade and Employment	296,181	272,367	-23,814	-8%
35 Arts, Sport and Tourism	65,106	61,669	-3,437	-5%
36 Defence	561,626	508,120	-53,506	-10%
37 Army Pensions	102	98	-4	-4%
38 Social and Family Affairs	222,268	207,929	-14,339	-6%
39 Health and Children	82,380	64,529	-17,851	-22%
40 Health Service Executive	7,108,847	6,507,296	-601,551	-8%
<b>TOTAL :-</b>	<b>16,470,969</b>	<b>15,091,506</b>	<b>-1,379,463</b>	<b>-8%</b>

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

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

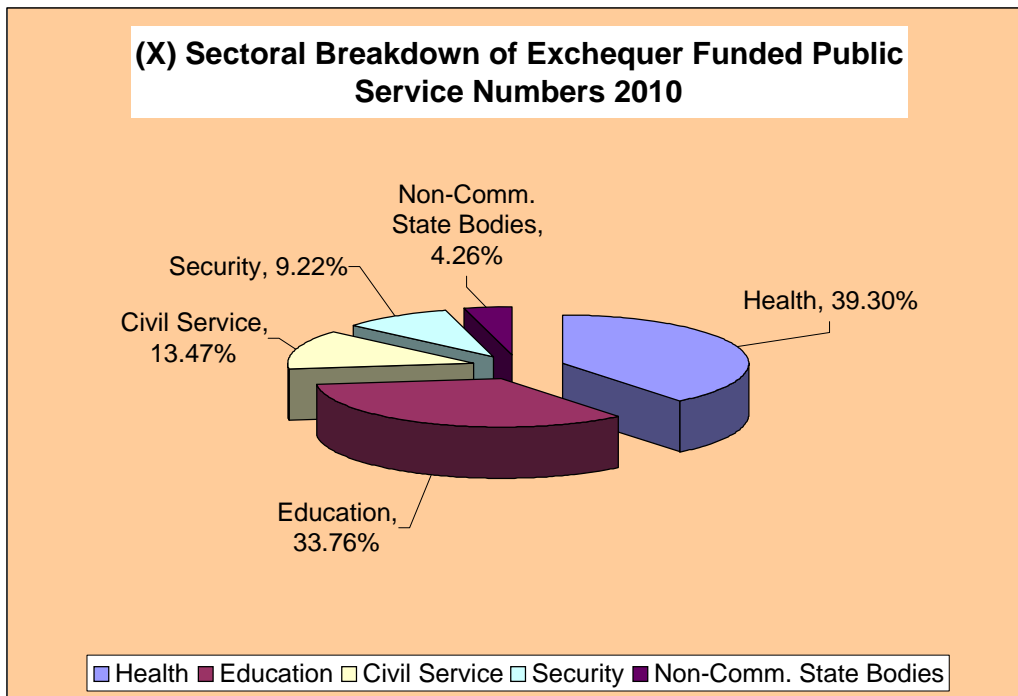
VOTE / DEPARTMENT	2009 Outturn €000	2010 Estimate €000	Increase/ Decrease €000	Increase/ Decrease %
06 Finance	2	4	2	100%
07 Superannuation and Retired Allowances	318,933	396,633	77,700	0%
19 Justice, Equality and Law Reform	507	609	102	20%
20 Garda Síochána	275,721	298,427	22,706	8%
25 Environment, Heritage & Local Government	3,953	3,502	-451	-11%
26 Education and Science	796,615	778,439	-18,176	-2%
27 Community, Rural and Gaeltacht Affairs	4,588	4,859	271	6%
30 Communications, Energy & Natural Resources	2,035	2,065	30	1%
31 Agriculture, Fisheries & Food	32,791	35,879	3,088	9%
32 Transport	958	1,344	386	40%
34 Enterprise, Trade and Employment	23,302	48,568	25,266	108%
35 Arts, Sport and Tourism	7,908	8,187	279	4%
37 Army Pensions	209,047	202,295	-6,752	-3%
39 Health and Children	946	1,021	75	8%
40 Health Service Executive	329,770	453,777	124,007	38%
<b>TOTAL :-</b>	<b>2,007,076</b>	<b>2,235,609</b>	<b>228,533</b>	<b>11%</b>

<b>(IX) PUBLIC SERVICE NUMBERS EMPLOYED (Wholetime equivalents)</b>							
<b>2005 - 2010</b>							
<b>( at the 1st of January each year* )</b>							
	2005	2006	2007	2008	2009	2010*	% Increase 2005 - 2010
Health	98,723	101,978	106,273	110,600	111,770	109,100	10.5%
Education	79,881	83,435	89,263	90,456	94,880	93,706	17.3%
Civil Service	36,867	36,533	37,156	38,200	39,129	37,381	1.4%
Security	24,828	24,712	25,438	26,090	26,524	25,583	3.0%
Non-Comm. State Bodies	11,095	11,391	11,700	11,798	12,354	11,834	6.7%
<b>Exchequer Funded</b>	<b>251,394</b>	<b>258,049</b>	<b>269,830</b>	<b>277,144</b>	<b>284,657</b>	<b>277,604</b>	<b>10.4%</b>
Increase over previous year		6,655	11,781	7,314	7,513	-7,053	
% Increase over previous year		2.6%	4.6%	2.7%	2.7%	-2.5%	
<b>Local Authorities</b>	<b>33,394</b>	<b>34,067</b>	<b>34,681</b>	<b>34,987</b>	<b>34,179</b>	<b>32,200</b>	<b>-3.6%</b>
<b>Total Public Service</b>	<b>284,788</b>	<b>292,116</b>	<b>304,511</b>	<b>312,131</b>	<b>318,836</b>	<b>309,804</b>	<b>8.8%</b>
Increase over previous year		7,328	12,395	7,620	6,705	-9,032	
% Increase over previous year		2.6%	4.2%	2.5%	2.1%	-2.8%	

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 2010 and therefore vary slightly from Table XII in this booklet.



<b>(XI) Average Public Service Employee and Pensioner Numbers</b>					
<b>underpinning the Exchequer Pay and Pensions Bill(a)</b>					
(Wholetime equivalent numbers used from 2009)					
Source: Tables 6 and 7 from the Revised Estimates Volume.					
VOTE / SERVICE	2006	2007	2008	2009	2010 Estimate
01 President's Establishment	25	27	27	22	22
02 Department of the Taoiseach	249	271	276	227	227
03 Office of the Attorney General	138	146	168	149	143
04 Central Statistics Office	904	840	777	793	802
05 Office of the Comptroller & Auditor General	155	152	158	145	156
06 Office of the Minister for Finance	652	639	644	629	637
07 Superannuation and Retired Allowances	14,483	15,060	15,465	17,251	18,091
08 Office of the Appeal Commissioners	4	4	4	4	4
09 Office of the Revenue Commissioners	6,442	6,574	6,592	6,105	6,200
10 Office of Public Works	2,174	2,128	2,140	1,907	1,893
11 State Laboratory	94	92	93	92	95
12 Secret Service					
13 Chief State Solicitors Office	234	239	249	230	230
14 Director of Public Prosecutions	174	182	203	195	200
15 Valuation Office	155	163	163	152	149
16 Public Appointments Service	139	147	143	109	100
17 Office of the Commission for Public Service Appointments	8	9	10	9	9
18 Office of the Ombudsman	76	82	90	88	93
19 Justice, Equality and Law Reform	1,921	2,275	2,991	2,955	2,894
20 Garda Síochána	22,486	23,642	24,802	25,467	25,663
21 Prisons	3,500	3,502	3,572	3,577	3,618
22 Courts Service	1,032	1,050	1,059	1,027	1,002
23 Property Registration Authority	645	695	696	609	604
24 Charitable Donations and Bequests	8	8	7	7	6
25 Environment, Heritage & Local Government (b)	1,968	2,044	2,150	2,375	2,345
26 Education and Science	106,353	109,282	119,431	121,835	124,290
27 Community, Rural and Gaeltacht Affairs	909	941	955	956	1,005
28 Foreign Affairs	1,323	1,362	1,377	1,326	1,296
29 International Co-operation	209	213	199	197	190
30 Communications, Marine & Natural Resources (b)	1,781	1,378	1,301	1,281	1,257
31 Agriculture, Fisheries & Food (b) (c)	6,774	7,191	7,202	7,494	7,389
32 Transport (b)	974	1,497	1,104	1,156	1,110
33 National Gallery	105	116	130	119	125
34 Enterprise, Trade and Employment (c) (e)	6,118	6,196	7,412	7,640	7,656
35 Arts, Sport & Tourism (c)	1,303	1,634	1,637	1,655	1,642
36 Defence	11,804	11,623	11,652	11,119	11,164
37 Army Pensions	11,754	11,665	11,671	11,640	11,810
38 Social and Family Affairs	4,457	4,527	4,607	5,099	5,234
39 Health and Children (b) (d)	612	640	533	1,686	1,474
40 Health Service Executive	125,656	138,212	132,731	135,901	140,128
<b>TOTAL :-</b>	<b>337,798</b>	<b>356,448</b>	<b>364,421</b>	<b>373,228</b>	<b>380,953</b>
<b>Increase over previous year</b>		<b>18,650</b>	<b>7,973</b>	<b>8,807</b>	<b>7,725</b>
<b>% Increase over previous year</b>		<b>5.52%</b>	<b>2.24%</b>	<b>2.42%</b>	<b>2.07%</b>

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

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

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

(d) Including staff of the Minister for Children and Youth Affairs.

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

**(XII) 2010 EXCHEQUER NET PAY AND PENSIONS BILL and PUBLIC SERVICE NUMBERS**

(Whole time equivalents as estimated at 31 December 2010)

VOTE / DEPARTMENT	Public Service Pay €000	Public Service Pensions €000	Total Pay & Pensions €000	Public Service Numbers	Pension Numbers	Total Numbers
Source: 2010 Revised Estimates Volume						
01 PRESIDENT'S ESTABLISHMENT	1,495		1,495	22		22
02 TAOISEACH	14,726		14,726	227		227
03 ATTORNEY GENERAL	10,827		13,367	143		143
04 CSO	36,309		36,309	802		802
05 C&AG	9,603		9,603	156		156
06 DEPT. OF FINANCE	35,300	4	35,304	634	3	637
07 SUPERANNUATION		396,633	396,633		18,091	18,091
08 APPEAL COMMISSIONERS	430		430	4		4
09 REVENUE COMMISSIONERS	283,726		283,726	6,200		6,200
10 OFFICE OF PUBLIC WORKS	94,578		94,578	1,893		1,893
11 STATE LABORATORY	5,125		5,125	95		95
13 CSSO	14,156		14,156	230		230
14 DPP	12,658		12,658	200		200
15 VALUATION OFFICE	8,097		8,097	149		149
16 PUBLIC APPTS. SERVICE	4,936		4,936	100		100
17 CPSA	520		520	9		9
18 OFFICE OF THE OMBUDSMAN	5,867		5,867	93		93
19 MINISTER FOR JUSTICE	144,899	609	145,508	2,789	105	2,894
20 GARDA SIOCHÁNA	933,349	298,427	1,231,776	16,573	9,090	25,663
21 PRISONS	239,509		239,509	3,618		3,618
22 COURTS	50,359		50,359	1,002		1,002
23 PROPERTY REGISTRATION AUTHORITY	27,283		27,283	604		604
24 CHARITABLE DONATIONS	357		357	6		6
25 ENVIRONMENT	96,286	3,502	99,788	2,073	272	2,345
26 EDUCATION AND SCIENCE	4,944,478	778,439	5,722,917	96,148	28,142	124,290
27 COMM. RURAL & GAEL. AFF	36,481	4,859	41,340	829	176	1,005
28 FOREIGN AFFAIRS	76,200		76,200	1,296		1,296
29 INTERNAT. CO-OPERATION	14,986		14,986	190		190
30 COMMUNICATIONS, MARINE	35,434	2,065	37,499	1,016	241	1,257
31 AGRICULTURE AND FOOD	269,672	35,879	305,551	5,681	1,708	7,389
32 TRANSPORT	56,418	1,344	57,762	1,046	64	1,110
33 NATIONAL GALLERY	5,434		5,434	125		125
34 ENTERPRISE TRADE & EMPLOYMENT	272,367	48,568	320,935	5,072	2,584	7,656
35 ARTS, SPORT & TOURISM	61,669	8,187	69,856	1,267	375	1,642
36 DEFENCE	508,120		508,120	11,164		11,164
37 ARMY PENSIONS	98	202,295	202,393	2	11,808	11,810
38 SOCIAL & F/AFFAIRS	207,929		207,929	5,206	28	5,234
39 HEALTH AND CHILDREN	64,529	1,021	65,550	1,406	68	1,474
40 HEALTH SERVICE EXECUTIVE	6,507,296	453,777	6,961,073	109,470	30,658	140,128
<b>TOTAL :-</b>	<b>15,091,506</b>	<b>2,235,609</b>	<b>17,327,115</b>	<b>277,540</b>	<b>103,413</b>	<b>380,953</b>

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

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

Year	2005	2006	2007	2008	2009 O/Turn	2010 REV
<b>1. GROSS and NET CURRENT PAYBILL</b>						
	€m	€m	€m	€m	€m	€m
<b>(a) Gross Current Expenditure</b>	<b>39,285</b>	<b>43,404</b>	<b>48,793</b>	<b>53,399</b>	<b>55,731</b>	<b>54,749</b>
(b)Gross Exchequer Pay & Pensions	15,493	16,780	18,161	19,353	19,956	18,819
Pay as % of Gross current spending	39%	39%	37%	36%	36%	34%
<b>(c) Net Current Expenditure</b>	<b>29,724</b>	<b>32,905</b>	<b>37,044</b>	<b>40,745</b>	<b>40,305</b>	<b>40,315</b>
(d) Net Exchequer Pay & Pensions	14,973	16,218	17,600	18,753	18,478	17,327
Pay as % of Net current spending	50%	49%	48%	46%	46%	43%
<b>Year-on-year per cent increase</b>		<b>8.3%</b>	<b>8.5%</b>	<b>6.6%</b>	<b>-1.5%</b>	<b>-6.2%</b>
<b>2. Paybill (Gross v Net)</b>	€m	€m	€m	€m	€m	€m
(a) Gross	15,493	16,780	18,161	19,353	19,956	18,819
(b) Net	14,973	16,218	17,600	18,753	18,478	17,327
A in A (1)	520	562	561	600	1,478	1,492
<b>3. Average Public Service Numbers*</b> (excluding Local Authorities)	320,974	337,798	356,448	364,421	373,228	380,953
Year-on-Year increase	1.91%	5.24%	5.52%	2.24%	2.42%	2.07%
<b>Average Public Service numbers*</b> (excluding Pensioners)	248,950	261,705	269,668	279,155	278,106	277,540
Year-on-Year increase	2.01%	5.12%	3.04%	3.52%	-0.38%	-0.20%
Average Pensioner numbers	72,024	76,093	86,780	85,266	95,122	103,413
	1.58%	5.65%	14.04%	-1.74%	11.56%	8.72%

\*Whole time equivalents from 2009

(1). 2010 A in A breakdown

	€m
Pay - mainly Education ( ESF receipts and fees)	67
Pensions - Civil Service, Health, Education, Guards and Army	550
Pension Related Deduction	875

**Total** 1,492

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

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

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

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

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

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

The 2010 Revised Estimates Volume includes:-

- i. a summary line in each vote showing its total pay and pensions provision
- ii. tables (Table 3A and 4A) summarising the pay and pensions provision in each Vote (see tables VII and VIII in this booklet)
- iii. tables (Tables 6 and 7) of public service numbers (wholetime equivalents) underlying the pay and pensions provision in each vote (see table XI in this booklet) and
- iv. the total Paybill outturn and estimate, in net and gross terms, for 2009 and 2010 (Tables 3A, 4A and 4, 5 respectively) (see table XIII of this booklet for years 2005 to 2010 inclusive).

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

Central Statistics Office earnings trend data is normally included in the booklet however, due to a change in how the CSO compile data, it was not possible to include information this year.

### **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).

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

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

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

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

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

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

### **6. Contact Names**

This booklet has been produced by the Central Pay Policy Section of the Personnel and Remuneration Division, Department of 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.

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