

Key points on headline Pay and Pensions Bill

Public Service Pay

The measures implemented to date to reduce the public service pay bill (i.e. pay reductions, the pension related deduction, the reduction in staff numbers and other measures) has reduced the cost to the Exchequer of the Public Service pay bill by some €3bn.

In 2008 the gross Exchequer pay bill was just under €17.2bn and the net pay bill just over €17.1bn. From 2009 onwards, the introduction of the PRD (1 March 2009) and the series of pay rate reductions and serving numbers reductions delivered just under €3.4bn in savings. In 2013, the Exchequer gross pay bill was €15.1bn and the net pay bill was €14.1, with the PRD contributing almost €1bn saving of the gross pay bill. The pay cost of the Public Service in 2013 was €14.1bn (net), compared to €17.1bn (net) in 2008.

The estimate for the exchequer **pay bill in 2014 is €13.6bn** (including the savings from the PRD). This brings the cost of the pay bill over €3.5bn lower than 2008 – a **reduction of over 20%** in the overall cost of the Public Service. By any standard this is a significant achievement.

Year-on year the pay bill reduced by €210m between 2012 and 2013. The 2014 estimate for pay bill is to reduce further by c. €580m to €13.6bn.

Pensions

There were over 144,300 pensioners at end 2013 compared with just over 111,600 at end 2009. The gross pension bill at **end 2013 stands at €2.8bn compared with €2.6bn in 2009**. The pension bill **peaked in 2012 at €3.1bn** due to once-off costs associated with the previous grace period. These once-off costs are the lump sum elements of the retirement package (approx. €330m more was paid in lump sums in 2012 than in 2013).

Accelerating, or bringing forward, retirements gives rise to these above trend lump sum costs.

Year-on-year the gross pension bill reduced by €307m between 2012 and 2013 – this was due to a peak in the pension bill in 2012 (see above). The 2014 estimate for the Pension bill is €2.9bn.

	2008	2009	2010	2011	2012	2013
	€bn	€bn	€bn	€bn	€bn	€bn
Gross Pay	17.2	17.5	16.0	15.7	15.3	15.1
Gross Pension	2.1	2.6	2.7	2.9	3.1	2.8
Gross Pay and Pension	19.3	20.1	18.8	18.6	18.4	17.9
Net Pay	17.1	16.6	15.0	14.7	14.3	14.1
Net Pension	1.6	2.0	2.2	2.3	2.6	2.3
Net Pay and Pension	18.7	18.6	17.2	17.0	16.9	16.4

Note: the difference between gross and net pension are employee contributions to the Contributory scheme (post 95 staff); contributions to spouses and children's pension scheme; and receipts from D/SP in respect of pension liability of staff.