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Lead topic: 2014 Annual Report and Appropriation Accounts of the C&AG	Sub-topic: 2014 Vote 12 Appropriation Account	Contact: Jean Carberry Ext:5314
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FAST FACTS

Vote 12 (Superannuation and Retired Allowances) – Appropriation Accounts 2014 and update to current position

2014

The 2014 Appropriation Accounts for the Vote show:-

- A gross outturn of €473.9 million compared to an estimate of €477.8 million (including supplementary estimate of €33m),
- A net outturn of €368.7 million compared to an estimate of €384.8 million (including net supplementary estimate of €22.2 million) - giving a surplus of €16.1 million for surrender to the Exchequer.
- The surplus arose due to the timing of receipts from the Single Public Service Pension Scheme as a considerable portion of those receipts was credited to the Vote during December, following application for the Supplementary Estimate.

The original 2014 gross estimate amounted to 444.8 million

This was based on:-

- 1) existing pensions in payment on 31st December 2013;
- 2) an estimated 850 retirements and 350 deaths for the established scheme – i.e. a net increase of 500 between 31st December 2012 and 31st December 2013;
- 3) an estimate in the region of €58 million in respect of lump sum payments to established civil servants;
- 4) negligible change in expenditure levels on other expenditure items (unestablished pensions, spouses and children's etc.).

It transpired that the level of retirements in 2014 was greater than anticipated, as just over 1,100 established civil servants retired. This contributed to additional spending in the region of €25 million on subhead A4 (i.e. 85% of additional gross expenditure).

There were:-

- 20,314 pensions in payment at the end of December 2013.
- 21,128 pensions in payment at the end of December 2014.
- 21,755 pensions in payment at the end of October 2015

2015

The Original Gross 2015 Estimate for the Vote was €474.0 million. On the basis of

expenditure as at mid November a supplementary estimate will be required. At this point in time we believe that the supplementary estimate will amount to €37 million, bringing total gross expenditure to €511 million. This will be offset by higher than estimate receipts of c. €124 million (vs the estimate of €104m) giving a net supplementary required of €17 million.

2016

The Gross 2016 Estimate for the Vote is €527 million and the net estimate is €392 million.

Q&A'S

Q. Why does the Secretary General find it so difficult to accurately estimate pension payments and lump sums?

A. For all established staff who joined the civil service prior to 2004 there is a window of 5 years within which they may choose to retire on full pension (between ages 60 to 65). This means it is impossible to accurately predict the number and grade mix of retirements in any one year.

Q. Why does the Secretary General find it so difficult to accurately estimate Single Scheme receipts?

A. This is a relatively new scheme and a reliable trend has not yet been established so estimates are subject to an unavoidably wide margin of error.

Q. Can the Secretary General account for the substantial increase in expenditure on Vote 12 in recent years?

A. Expenditure on the Vote is directly related to the number of pensioners which has increased substantially in recent years in line with overall government strategy to reduce public service numbers, combined with the effect of the aging demographics of the civil service workforce.

Q. Does the 2016 Estimate need to be adjusted to take account of the extension of the grace period?

A. The Vote provides for the pension costs of some twenty two thousand retired persons while the extension of the grace period is expected to affect some hundreds. In the circumstances, bearing in mind also the difficulty in estimating elements of the Vote with precision, there are no proposals to modify the Vote at this stage.

Q. What is the average pension for established and unestablished pensioners?

A. The average pension under the established scheme is €24,400, while that for unestablished personnel, who also qualify for the Social Welfare pension, is €4,000.

