

Vote 7 Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 7, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2011 for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform, fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board; payments in respect of Pensions Benefit System, miscellaneous payments, etc.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2011, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the Account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Public Expenditure and Reform. The statement of internal financial control for the Department of Finance is also relevant given that it makes superannuation payments on an agency basis for Vote 7.

Robert Watt
Accounting Officer
Superannuation and Retired Allowances
28 March 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 7: Superannuation and Retired Allowances for 2011 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Finance in respect of the Vote for Superannuation and Retired Allowances. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2011.

Seamus McCarthy
Comptroller and Auditor General
31 August 2012

Vote 7 Superannuation and Retired Allowances Appropriation Account 2011

	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
Programme expenditure			
A. Superannuation and retired allowances	450,025	432,560	437,635
Gross expenditure	<u>450,025</u>	<u>432,560</u>	<u>437,635</u>
Deduct:			
B. Appropriations-in-aid	<u>82,250</u>	<u>87,315</u>	<u>83,155</u>
Net expenditure	<u><u>367,775</u></u>	<u><u>345,245</u></u>	<u><u>354,480</u></u>
Surplus to be surrendered		<u><u>€22,530,394</u></u>	<u><u>€42,272,907</u></u>

Notes to the Appropriation Account

1 Operating Cost Statement 2011

This note is not applicable as the administration costs of this Vote are borne on Vote 6 - Office of the Minister for Finance and the costs involved in formulation of superannuation policy are borne on Vote 42 - Office of the Minister for Public Expenditure and Reform.

2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Current assets			
Bank and cash	2.1	8,559	12,231
Other debit balances	2.2	111	34
Total current assets		8,670	12,265
Less current liabilities			
Credit balances	2.3	7,556	4,746
Net liability to the Exchequer	2.4	1,114	7,519
Total current liabilities		8,670	12,265
Net current assets		—	—
Net assets		—	—
Represented by:			
State funding account		—	—

2.1 Bank and Cash	2011	2010
at 31 December	€000	€000
PMG balances and cash	10,238	13,707
Orders outstanding	(1,679)	(1,476)
	<u>8,559</u>	<u>12,231</u>
2.2 Other Debit Balances	2011	2010
at 31 December	€000	€000
Recoupable pensions owed by other Departments	111	34
	<u>111</u>	<u>34</u>
2.3 Credit Balances	2011	2010
at 31 December	€000	€000
Amounts due to the State		
Income Tax	3,875	2,430
Pay Related Social Insurance	—	396
Universal Social Contribution	1,502	—
Income Levy	—	326
	<u>5,377</u>	<u>3,152</u>
Voluntary pension deductions held in suspense	2,179	1,594
	<u>7,556</u>	<u>4,746</u>
2.4 Net Liability to the Exchequer	2011	2010
at 31 December	€000	€000
Surplus to be surrendered	22,530	42,272
Exchequer grant undrawn	(21,416)	(34,753)
Net liability to the Exchequer	<u>1,114</u>	<u>7,519</u>
Represented by:		
Debtors		
Bank and cash	8,559	12,231
Debit balances: suspense	111	34
	<u>8,670</u>	<u>12,265</u>
Creditors		
Due to the State	(5,377)	(3,152)
Credit balances: suspense	(2,179)	(1,594)
	<u>(7,556)</u>	<u>(4,746)</u>
	<u>1,114</u>	<u>7,519</u>

3 Programme Expenditure

	2011 Estimate provision €000	2011 Outturn €000	2010 Outturn €000	
A. Superannuation and Retired Allowances				
A.1.	Superannuation allowances, compensation allowances, pensions and certain children's allowances	280,300	284,194	281,135
A.2.	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	40,600	41,670	42,438
A.3.	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	1,200	1,092	1,253
A.4.	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service	107,250	83,423	91,304
A.5.	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	20,000	21,721	20,946
A.6.	Injury grants and medical fees	400	349	420
A.7.	Fees to Pensions Board and pensions benefit system	120	58	68
A.8.	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997	5	—	—
A.9.	Pension liabilities of former public service bodies payable under statute	150	53	71
		450,025	432,560	437,635

Explanation of significant variation

An explanation is provided below in the case of each heading where the outturn varied from the amount provided by more than €100,000, and by more than 5%.

Heading	Less/(more) than provided €000	Explanation
A.3.	108	Requirements for ex gratia pensions were less than estimated.
A.4.	23,827	The estimate was based on the number of officers expected to retire on or before end December 2011. The 'grace period' within which pensions were calculated on the basis of pre-cut salary rates was extended to 29 February 2012, which resulted in a decrease in the number of officers retiring before year-end.
A.5.	(1,721)	179 unestablished officers retired in 2011, which was more than estimated.

4 Receipts

Appropriations-in-aid		2011	2011	2010
		Estimated €000	Realised €000	Realised €000
1	Receipt under the Social Welfare Consolidation Act 1993 (No. 38 of 1993) in respect of pension liability of staff	30,000	30,000	28,000
2	Receipts in respect of pension liability of staff on loan, etc.	1,103	2,443	2,496
3	Contributions to spouses' and children's pension scheme for civil servants and others	22,500	21,657	20,818
4	Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)	24,237	25,681	23,352
5	Repayment of gratuities, etc.	1,103	1,276	1,135
6	Purchase of notional service	3,197	5,964	6,972
7	Miscellaneous	110	294	382
		82,250	87,315	83,155

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
2	(1,340)	The numbers of staff on loan can vary from year to year making estimation difficult.
4	(1,444)	The numbers paying full pension contributions exceeded the estimate.
5	(173)	It is difficult to predict the number of repayments.
6	(2,767)	It is difficult to predict the numbers purchasing service for pension purposes.
7	(184)	By their nature it is difficult to predict miscellaneous receipts.

5 Employee and Pensioner Numbers

5.1 Staff

All staff employed in the administration and payment of superannuation charged to this Vote are paid from Vote 6 - Office of the Minister for Finance and staff engaged on the formulation of superannuation policy are charged to Vote 42 - Office of the Minister for Public Expenditure and Reform.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by heading at year end is set out below.

		Number of Pensioners at year	
		2011	2010
A.1.	Superannuation allowances, compensation allowances, pensions and certain children's allowances	11,014	10,288
A.2.	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	2,795	2,739
A.3.	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	73	85
A.5.	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	4,732	5,002
A.9.	Pension liabilities of former public service bodies payable under statute ¹	3	3
Total		18,617	18,117

¹ The figure for 2010 has been restated as five individuals whose pensions were recoupable were erroneously included under A.9.

6 Miscellaneous

6.1 Abatement of Pensions

The Pensions (Abatement) Act, 1965 provides that the pensions of civil servants who are retained or re-employed after normal retirement age are abated as necessary to ensure that their total pay in the period of retention or re-employment does not exceed the remuneration which they would have received if they had remained in the posts they had held on the last day of their reckonable service. The Act also provides that such abatements may be waived at the discretion of the Minister for Finance.

For administrative convenience, the normal practice in the case of short term arrangements, is that, rather than abate the pension, the level of fee is set at a level to ensure that the combination of the fee and pension payment does not exceed the salary the officer would have received if he/she were still in employment.