

Appropriation Account 2025

Vote 35

Army Pensions

Introduction

As Accounting Officer for Vote 35, I am required each year to prepare the appropriation account for the Vote and 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 2025 for retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain other Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2025, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €21.199 million is liable for surrender to the Exchequer.

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, as set out by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in circular 25 of 2025 have been applied in the preparation of the account. This includes the application of a number of Central Government Accounting Standards (CGAS) brought into effect for periods of account commencing from 1 January 2025.

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of pension payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee, with an independent Chair, to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

A framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability.

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Department.
- There are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit Committee

The Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. The internal audit unit operates independently, and its work is informed by analysis of the financial risks to which the Department, including the Army Pensions Vote, is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods, professional and other contracted services, amounted to a total of €149,000 in 2025.

There were no contracts that exceeded the reporting threshold of €25,000 that were awarded without a competitive process.

The Department has provided a nil return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

Risk and control framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The Department risk register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. Any risks where the risk score has increased to a significant degree in the intervening months are then brought to the Management Board.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

A strategic risk management process is also in place between the Department and the Defence Forces. This process follows the same principles as the departmental risk process. Risks are documented in the strategic risk register, which is reviewed three times a year. This review is coordinated by the Strategic Risk Working Group, reviewed by the Strategic Risk Committee and respective management boards, and approved at the Strategic Management Committee.

The Audit Committee also exercise an oversight role in relation to the effectiveness of the risk management framework and processes.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified, and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

The Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2025 that require disclosure in the appropriation account.

Jacqui McCrum

Accounting Officer
Army Pensions

31 March 2026

Comptroller and Auditor General Report for presentation to Dáil Éireann

Vote 35 Army Pensions

Opinion on the appropriation account

I have audited the appropriation account for Vote 35 Army Pensions for the year ended 31 December 2025 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 35 Army Pensions for the year ended 31 December 2025, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Defence and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

1 September 2026

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to Dáil Éireann stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the appropriation account is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Appendix to the report of the Comptroller and Auditor General (continued)**Reporting on the statement on internal financial control**

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 35 Army Pensions

Appropriation Account 2025

		2025	2024
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Provision for Defence Forces' pension benefits	329,327	308,208	304,341
Gross expenditure	329,327	308,208	304,341
<i>Deduct</i>			
B Appropriations-in-aid	4,850	4,930	4,804
Net expenditure	324,477	303,278	299,537

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2025	2024
	€	€
Surplus to be surrendered	21,199,373	12,460,761

Jacqui McCrum
Accounting Officer
Army Pensions

31 March 2026

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2025

	2025	2024
	€000	€000
Programme cost	308,125	304,262
Pay	74	72
Non pay	9	7
Gross expenditure	308,208	304,341
<i>Deduct</i>		
Appropriations-in-aid	4,930	4,804
Net expenditure	303,278	299,537
Changes in net current assets		
Increase in accrued expenses	83	74
Direct voted expenditure	303,361	299,611
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	3,513	3,387
Net programme cost	306,874	302,998

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 35 borne elsewhere, in respect of the administration of pension benefits and other services.

	2025	2024
	€000	€000
Vote 18 National Shared Services Office	1,234	1,246
Vote 36 Defence	2,252	2,115
Vote 43 Office of the Government Chief Information Officer	27	26
	3,513	3,387

Note 2 Statement of Financial Position as at 31 December 2025

	Note	2025 €000	2024 €000
Current assets			
Bank and cash		4,064	1,028
Other debit balances		5	3
		4,069	1,031
<i>Less</i>			
Current liabilities			
Accrued expenses	2.1	157	74
Other credit balances	2.2	3,219	21
Net Exchequer funding	2.3	850	1,010
		4,226	1,105
Net current liabilities		(157)	(74)
Net liabilities		(157)	(74)
Represented by:			
State funding account	2.4	(157)	(74)

2.1 Accrued expenses

at 31 December	2025 €000	2024 €000
Payroll related accruals	157	74
	157	74

2.2 Other credit balances

at 31 December	2025 €000	2024 €000
Amounts due to the State		
Income tax	2,755	(2)
Universal social charge	401	(5)
Local property tax	61	—
Professional services withholding tax	1	1
	3,218	(6)
Pension payments held in suspense	1	27
	3,219	21

2.3 Net Exchequer funding

at 31 December	2025	2024
	€000	€000
Surplus to be surrendered	21,199	12,461
Exchequer grant undrawn	(20,349)	(11,451)
Net Exchequer funding	850	1,010
Represented by:		
Debtors		
Bank and cash	4,064	1,028
Debit balances: suspense	5	3
	4,069	1,031
Creditors		
Due to the State	(3,218)	6
Credit balances: suspense	(1)	(27)
	(3,219)	(21)
	850	1,010

2.4 State funding account

	Note	2025	2024
		€000	€000
Balance at 1 January		(74)	—
Disbursements from the Vote			
Estimate provision	Account	324,477	
Surplus to be surrendered	Account	(21,199)	
Net vote		303,278	299,537
Expenditure borne elsewhere	1.1	3,513	3,387
Net programme cost	1	(306,874)	(302,998)
Balance at 31 December		(157)	(74)

2.5 Matured liabilities

at 31 December	2025	2024
	€000	€000
Estimate of matured liabilities not discharged at year end	151	70
	151	70

2.6 Impact of accounting policy changes

Commencing from 1 January 2024, central government accounting standards (CGAS) are being implemented on a phased basis. The implementation had the following impact on the State funding balance in the year of account.

	2025	2024
	€000	€000
Payroll accrual ^a	—	(2) ^b
Holiday accrual ^a	—	(2)
	<u>—</u>	<u>(4)</u>

Note ^a CGAS 39A Employee Benefits Part A

^b 2024 comparative figures have been re-stated to reflect the updated categorisation of pension accruals.

Note 3 Vote Expenditure

Programme A Provision for Defence Forces' pensions benefits

		2025		2024
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	105	83	79
A.2	Defence Forces superannuation benefits and related payments	316,757	296,224	292,812
A.3	Wound and disability benefits re former Defence Forces members	11,960	11,616	11,141
A.4	Payments to spouses of veterans of the War of Independence	60	52	56
A.5	Compensation payments	245	74	93
A.6	Medical appliances, travelling and incidental expenses	200	159	160
		329,327	308,208	304,341

Significant variations

The following notes outline the reasons for significant variations (at least +/- 5% and €100,000) in non-administration programme expenditure.

A.2 Defence Forces superannuation benefits and related payments

Estimate provision €316.757 million; outturn €296.224 million

The underspend of €20.533 million is mainly due to lower retiree numbers and higher leaver numbers than had been anticipated at the budget planning stage.

A.5 Compensation payments

Estimate provision €245,000; outturn €74,409

A 'contingency' element of this subhead provides for payment of special lump sum compensation by the Department of Defence for service-related deaths or disablement of members of the Defence Forces while serving overseas with the UN and certain other missions. There were no such payments made in this category during 2025.

Note 4 Receipts and Revenue

4.1 Appropriations-in-aid

		2025		2024
		Estimated	Realised	Realised
		€000	€000	€000
1	Contributions to Defence Forces spouses' and children's pension schemes	3,146	2,878	2,847
2	Contributions to Defence Forces contributory (main) pension schemes	1,500	1,944	1,879
3	Recoveries of overpayments	40	80	57
4	Payments re transferred service	90	8	—
5	Additional superannuation contributions	4	3	2
6	Miscellaneous	70	17	19
		4,850	4,930	4,804

Significant variations

The following notes outline the reasons for significant variations in appropriations-in-aid (at least +/- 5% and €100,000).

1 Contributions to Defence Forces spouses' and children's pension schemes

Estimate provision €3.146 million; realised €2.878 million

Contributions to the spouses' and children's pension schemes will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

2 Contributions to Defence Forces contributory (main) pensions schemes

Estimate provision: €1.5 million; realised €1.944 million

Contributions will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

4.2 Revenue of the Vote

Appropriations-in-aid represent cash amounts received in the year. Revenue of the Vote represents income related to the activity of the year, based on the accrual principle.

	2025
	€000
Non-exchange transaction revenue	
Central Fund grant	303,278
Contributions to Defence Forces pension schemes	4,822
Additional superannuation contributions	3
Other non-exchange revenue	25
Exchange transaction revenue	—
Other income	
Recoveries of overpayments	80
Total revenue	308,208
Represented by	
Total appropriations-in-aid (note 4.1)	4,930
Central Fund grant	303,278
	308,208

Note 5 Staffing and Remuneration

5.1 Employee numbers (full time equivalents)

At 31 December	2025	2024
Number of staff at year end	<u>1</u>	<u>1</u>

5.2 Pay

	2025	2024
	€000	€000
Pay ^a	72	70
Employer's PRSI	<u>2</u>	<u>2</u>
	<u>74</u>	<u>72</u>

Note ^a The pay figure above includes the salary of one full time Department of Defence staff member (see note 5.1) who provides administrative support to the Army Pensions Board, and fees paid to the two civilian members of the Board in 2025. These pay costs and associated travel costs of €9,000 are charged to the A.1 subhead.

Currently there are 26.9 employees (FTEs) of the Department of Defence engaged in the administration of Defence Forces superannuation and disability arrangements. Their remuneration, which amounts to some €1,476,160, is charged to Vote 36.

5.3 Retirement pension (annual) – average payments to retired Defence Forces personnel ^a

Category of pensioner	Number of pension recipients at year-end		Average individual payment	
	2025	2024	2025 €	2024 €
Retired officers	1,854	1,867	37,648	36,273
Retired NCOs and privates	9,610	9,639	20,752	20,014
Dependants and other ^b	1,849	1,873		
Total	13,313	13,379		

Note ^a Table 5.3 shows the total headcount for all categories of recipients from all subheads as at year-end within Vote 35. Some retired personnel are in receipt of both a military retirement pension and a military disability pension, and similar payments are also payable to some spouses/children of deceased personnel: such dual recipients are counted only once for headcount purposes above. The average individual pension payment recorded for retired personnel is calculated by reference to total expenditure on retirement pensions as at year-end under Subhead A2.

^b The average individual payment has not been recorded above under 'Dependants and other' as the amounts vary due to the different categories of recipients within this sub-group. The overall average dependants' superannuation-related pension for 1,450 recipients in 2025 was €11,274, compared to 1,472 recipients with an average amount of €10,611 in 2024.

5.4 Retirement gratuity (lump sum) – average payments where retiring on pension ^a

Category of pensioner	Number of recipients		Average individual payment	
	2025	2024	2025 €	2024 €
New retirees on pension during the year				
Officers	17	28	124,295	99,707
NCOs and privates	160	260	43,227	47,911
Total	177	288		

Note ^a The level of pension and retirement gratuity varies with retiring rank, pensionable earnings, overall reckonable service etc.

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 35 Army Pensions is also the Accounting Officer for Vote 36 Defence. Her salary is disclosed in the Appropriation Account for Vote 36.

Note 6 Miscellaneous

6.1 Payments in excess of entitlements

There were 114 overpayments outstanding at year end (2024:127), amounting to €130,271 of which €62,116 relates to previous years. Overpayments of €147,021 came to light in 2025 of which €75,184 were recovered and €3,682 written off. Efforts are ongoing to recover outstanding amounts. The vast majority of these overpayments relate to the portion of pension paid in the period after the date of a pensioner's death, when the monthly payroll had already been processed for that month.

	2025		2024
	€	€	€
Opening balance		137,698	94,840
Overpayments identified in year		147,021	166,257
		<u>284,719</u>	<u>261,097</u>
Recouped			
Overpayments identified 2025	75,184		
Overpayments identified pre-2025	<u>52,574</u>		
		<u>127,758</u>	<u>102,064</u>
		156,961	159,033
Written off			
Overpayments identified 2025	3,682		
Overpayments identified pre-2025	<u>23,008</u>		
		<u>26,690</u>	<u>21,335</u>
Closing balance		<u>130,271</u>	<u>137,698</u>

6.2 Payments subject to public service pension abatement or cessation

Separately from the figures at 6.1 above, there were 24 other overpayments outstanding at year-end amounting to €216,134 (see table below). These were in respect of former members of the Permanent Defence Force in receipt of military retirement pensions, who had subsequently re-joined the Defence Forces or taken up employment elsewhere in the public service. Such pensions are either ceased or are subject to the abatement provisions of Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. In each case the pension overpayments arose due to delays in being notified of the pensioner's re-employment. Overpayments of €187,565 came to light in 2025 in respect of nine cases, of which €10,944 has been recovered to date.

	2025		2024
	€	€	€
Opening balance		50,541	47,887
Overpayments identified in the year		187,565	17,310
		<u>238,106</u>	<u>65,197</u>
Recouped			
Overpayments identified 2025	10,944		
Overpayments identified pre-2025	<u>11,028</u>		
		<u>21,972</u>	<u>14,656</u>
Closing balance		<u>216,134</u>	<u>50,541</u>