

Appropriation Account 2025

Vote 12

Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 12, 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 2025 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, Infrastructure, Public Service Reform and Digitalisation; fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to the Pensions Authority, and other professional fees, miscellaneous payments, etc.

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 €48.286 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 of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

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, that 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 HR, finance and payroll shared services.

I rely on a letter of assurance from the Accounting Officer 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 to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for 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.
- There are appropriate capital investment control guidelines and formal project management disciplines.

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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee, 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.

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 high level risks facing the Department are 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.

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

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

Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Following on from the previous Chargeable Excess Tax (CET) disclosure in 2024, during the year the NSSO undertook an internal review of retirements. This review identified a number of new previously unreported CET cases.

In 2025, the value of CET paid by Vote 12, as a result of the NSSO review, was €1,106,515.

In July 2025, the Revenue Commissioners engaged with the NSSO and commenced an audit of CET and Withholding Tax for the period 2015 to date. The audit is on-going, and any findings are yet to be finalised.

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

David Moloney

Accounting Officer

Superannuation and Retired Allowances

6 March 2026

Comptroller and Auditor General

Report for presentation to Dáil Éireann

Vote 12 Superannuation and Retired Allowances

Opinion on the appropriation account

I have audited the appropriation account for Vote 12 Superannuation and Retired Allowances 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 12 Superannuation and Retired Allowances 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 Public Expenditure, Infrastructure, Public Service Reform and Digitalisation 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

9 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 12 Superannuation and Retired Allowances

Appropriation Account 2025

		2025	2024
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Superannuation and retired allowances	933,421	913,186	871,430
Gross expenditure	933,421	913,186	871,430
<i>Deduct</i>			
B Appropriations-in-aid	793,626	821,677	726,644
Net expenditure	139,795	91,509	144,786

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	48,285,989	80,602,121

David Moloney
Accounting Officer
Superannuation and Retired Allowances

6 March 2026

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2025

	2025	2024
	€000	€000
Programme cost	912,506	870,796
Non pay	680	634
Gross expenditure	913,186	871,430
<i>Deduct</i>		
Appropriations-in-aid	821,677	726,644
Net expenditure	91,509	144,786
Changes in net current assets		
Increase in accrued income	(4,064)	
Increase in accrued expenses	2,555	
	(1,509)	39,422
Direct voted expenditure	90,000	184,208
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(905,169)	(850,434)
Net programme cost	(815,169)	(666,226)

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 12 borne elsewhere, net of costs of shared services provided to other Votes.

	2025	2024
	€000	€000
Vote 18 National Shared Services Office	3,350	4,153
Central Fund ^a	1,141	1,133
	4,491	5,286
Cost of shared services provided to other votes	(909,660)	(855,720)
	(905,169)	(850,434)

Note ^a Central Fund expenditure arises on ministerial spouses and children, Cathaoirleach, Leas Cathaoirleach, Ceann Comhairle and Leas Ceann Comhairle pensions and related costs.

Note 2 Statement of Financial Position as at 31 December 2025

	Note	2025 €000	2024 €000
Current assets			
Bank and cash	2.1	(3,923)	(8,513)
Other debit balances	2.2	35,998	40,558
Accrued income	2.3	4,064	—
		36,139	32,045
<i>Less</i>			
Current liabilities			
Accrued expenses	2.4	41,977	39,422
Other credit balances	2.5	17,044	19,087
Net Exchequer funding	2.6	15,031	12,958
		74,052	71,467
Net liabilities		(37,913)	(39,422)
Represented by:			
State funding account	2.7	(37,913)	(39,422)

2.1 Bank and cash

at 31 December	2025 €000	2024 €000
PMG balances and cash	(3,923)	(8,513)
	(3,923)	(8,513)

2.2 Other debit balances

at 31 December	2025 €000	2024 €000
Recoupable pensions owed by other departments	2,606	85
Prefunding of 2026 payroll	33,392	40,451
Other debit suspense items	—	22
	35,998	40,558

2.3 Accrued income

at 31 December	2025	2024
	€000	€000
Staff on loan receipts	6	—
Spouses and children scheme	899	—
Contributory scheme	2,825	—
Purchase of notional service	334	—
	4,064	—

2.4 Accrued expenses

at 31 December	2025	2024
	€000	€000
Payroll accrual	41,977	39,422
	41,977	39,422

2.5 Other credit balances

at 31 December	2025	2024
	€000	€000
Amounts due to the State		
Income tax	9,001	10,664
Universal social charge	1,343	1,701
Local property tax	157	175
	10,501	12,540
Voluntary pension deductions held in suspense	4,936	4,927
Other credit suspense items	1,607	1,620
	17,044	19,087

2.6 Net Exchequer funding

at 31 December	2025	2024
	€000	€000
Surplus to be surrendered	48,286	80,602
Exchequer grant undrawn	(33,255)	(67,644)
Net Exchequer funding	15,031	12,958
Represented by:		
Debtors		
Bank and cash	(3,923)	(8,513)
Debit balances: suspense	35,998	40,558
	32,075	32,045
Creditors		
Due to the State	(10,501)	(12,540)
Credit balances: suspense	(6,543)	(6,547)
	(17,044)	(19,087)
	15,031	12,958

2.7 State funding account

	Note	2025	2024
		€000	€000
Balance at 1 January		(39,422)	—
Disbursements from the Vote			
Estimate provision	Account	139,795	
Surplus to be surrendered	Account	(48,286)	
Net vote		91,509	144,786
Expenditure borne elsewhere	1.1	(905,169)	(850,434)
Net programme cost	1	815,169	666,226
Balance at 31 December		(37,913)	(39,422)

2.8 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	—	(39,422)
Accrued income ^b	4,064	—
	<u>4,064</u>	<u>(39,422)</u>

Note ^a CGAS 39A Employee Benefits Part A

^b CGAS 23 Revenue from Non-Exchange Transactions (Taxes and Transfers)

Note 3 Vote Expenditure

Programme A Superannuation and Retired Allowances

		2025	2024
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances	713,752	663,873
A.2	Payments under the contributory pension schemes for spouses and children of civil servants, members of the judiciary and court officers	50,605	51,018
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	120	115
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service	142,114	124,117
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	24,800	27,009
A.6	Injury grants and medical fees	355	299
A.7	Pension related fees and other expenses	720	634
A.8	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997	900	4,310
A.9	Pension liabilities of former public service bodies payable under statute	55	55
	933,421	913,186	871,430

Significant variations

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

A.4 Additional allowances and gratuities in respect of established officers and payments in respect of transferred service

Estimate provision €142.114 million; outturn €120.250 million

The underspend of €21.864 million was due to this subhead being impacted by the numbers entering and leaving the scheme, and the grade mix, all of which can vary from year to year. It is, therefore, difficult to estimate expenditure from year to year. The original estimate was based on 2,006 retirements expected for 2025. At the year end, the actual number of retirements was 1,717.

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

Estimate provision €24.800 million; outturn €27.347 million

Expenditure was higher than expected by €2.547 million. Pension and lump sum payments to unestablished officers were higher than estimated. As is the case with established officers, lump sum payments are sensitive to both the number of retirees and their grade.

A.8 Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Estimate provision €900,000; outturn €2.85 million

Expenditure was higher than expected by €1.95 million. The estimate was based on six retirees in 2025, whereas the actual number in the year was ten.

Furthermore, following a review of retirements, the NSSO identified a number of new Chargeable Excess Tax cases that related to previous years, and a payment of €1.1 million was made for these in 2025.

Note 4 Receipts and Revenue

4.1 Appropriations-in-aid

		2025		2024
		Estimate provision	Realised	Realised
		€000	€000	€000
1	Receipts from the Social Welfare Consolidation Act 2005, Section 5(3) in respect of pension liability of staff	32,435	32,435	36,333
2	Receipts in respect of pension liability of staff on loan, etc.	1,181	842	721
3	Contribution to spouses and children pension scheme for civil servants and others	17,420	16,219	17,602
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)	45,500	48,354	46,571
5	Repayments of gratuities, etc.	500	—	469
6	Purchase of notional service	6,500	5,113	6,817
7	Single scheme contributions	690,040	718,564	618,131
8	Miscellaneous	50	150	—
		793,626	821,677	726,644

Significant variations

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

2 Receipts in respect of pension liability of staff on loan, etc.

Estimate provision €1.181 million; realised €842,000

The shortfall of €339,000 was due to an overestimation of receipts of pension contributions of civil servants on loan from their parent department. It is difficult to estimate the number on loan from year to year.

3 Contribution to spouses and children pension scheme for civil servants and others

Estimate provision €17.420 million; realised €16.219 million

The shortfall of €1.201 million was due to an overestimation in the value of receipts and an underestimation of the likely quantum of retirements from this cohort in the year.

4 Receipts in respect of the contributory scheme introduced for established civil servants appointed on and after 6 April 1995

Estimate provision €45.5 million; realised €48.354 million

Receipts were higher than expected by €2.854 million due to an underestimation in the level of receipts from this cohort of officers. The level of contributions is affected by changes in the salary levels which may increase in line with career progression.

5 Repayment of gratuities, etc

Estimate provision €500,000; realised €nil

The shortfall of €500,000 was due to an overestimation of receipts for this cohort. The estimate can be difficult to predict and is dependent on the number of officers repaying gratuities.

6 Purchase of notional service

Estimate provision €6.5 million; realised €5.113 million

The shortfall of €1.387 million was due to an overestimation of receipts for this cohort. The estimate can be difficult to predict and is dependent on the number of officers purchasing notional service.

8 Miscellaneous receipts

Estimate provision €50,000; realised €150,000

Receipts were higher than expected by €100,000 due to a higher than expected value of transfer of service contribution receipts.

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	91,509
Receipts	84,463
Contributions	735,682
Miscellaneous	5,596
Total revenue	917,250
 Represented by	
Total appropriations-in-aid (note 4.1)	821,677
Central Fund grant	91,509
Accrued income	4,064
	917,250

Note 5 Staffing and Remuneration

5.1 Staff

All staff employed in the administration and payment of superannuation charged to this Vote are paid from Vote 18 National Shared Services Office. Staff engaged on the formulation of superannuation policy are charged to Vote 11 Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

5.2 Pensioners

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

	2025	2024
A.1 Superannuation allowances, compensation allowances, pensions and certain children's allowances	24,944	25,455
A.2 Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	3,261	3,184
A.3 Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	6	8
A.4 Additional allowances and gratuities in respect of established officers and payments in respect of transferred service	1,717	1,750
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	4,191	4,241
A.6 Pension liabilities of former public service bodies payable under statute	3	3
	34,122	34,641

5.3 Pension payment agency services

Vote 12 makes pension payments, on an agency basis, to former staff of the bodies detailed below.

Name of body	Number of pensioners at end 2025	Gross value 2025 €million
Institute of Technology/Vocational Education Committee/Education and Training Board pensions	4,555 ^a	254
FÁS/SOLAS pensions	1,431	33

Note ^a The amounts paid are charged to Vote 26 Education and Youth and Vote 44 Further and Higher Education, Research, Innovation and Science. During 2025, 9,882 ETB retirees migrated to the Department of Education. The last payroll managed by the NSSO for the ETBs was payroll number 202521.

5.4 Overpayment of pensions

Overpayments at year end were €335,749 (68 cases) (2024: €291,322 (80 cases)). Recoupment plans are in place for these cases.

The NSSO has provided Vote 12 with a list of 293 cases of write-offs under €250, with a combined value of €29,633.

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 12 Superannuation and Retired Allowances is also the Accounting Officer for Vote 11 Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. His salary is disclosed in the appropriation account for Vote 11.

Note 6 Miscellaneous

6.1 Abatement of pensions

The Pensions (Abatement) Act 1965, and the Public Service (Single Scheme and other Provisions) Act 2012, provide 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 legislation also provides that such abatements may be waived at the discretion of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

In 2025, the pensions of 35 retired civil servants were fully or partially abated. The total amount abated in 2025 was €129,909 (2024: €394,952).

6.2 Chargeable Excess Tax balances

Chargeable Excess Tax (CET) is a charge that may arise on the estimated value of personal pensions in excess of €2 million. There is provision in tax law for the pensions administrator to pay the tax and to recoup it over twenty years through deductions from pensions paid. The table below sets out transactions in relation to CET. The closing balance represents the amount yet to be recouped from pension payments.

	2025	2024
	€000	€000
Opening balance 1 January	4,010	2,702
CET payments in year	2,850	1,484
Less amounts recouped from pension payments	(325)	(176)
Closing balance 31 December	6,535	4,010