

Public pay bill remains on target, say Revised Estimates

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The gross public service pay bill is estimated to increase from an outturn of €20.9 billion last year to €21.9 billion this year – an increase of 3.4%, according to the Revised Estimates published just before the Christmas break.

The net pay bill, which takes account of pension contributions, is roughly similar, going from a €20.4 billion outturn in 2021 to an estimated €21.3 billion by end of 2022 – a slightly larger increase of 3.8%.

It is also broadly in line with the figures presented in the estimates in Budget 2022 (the revised estimates or 'REV' adjust spending across departments in relation to additional information on spending allocations).

The REV notes that the allocation of funding held in respect of additional hours pertaining to the Haddington Road Agreement, totalling €150m, remains unassigned pending completion of the review by an independent body in relation to these (*see lead news item in this issue*).

The REV also notes that Budget 2022 held some €4 billion in reserve for additional Covid-19 related measures. It says that €96m of this has been allocated to a number of departments for various Covid measures, leaving most of the €4 billion in the reserve to be allocated in 2022, if needed.

SOCIAL INSURANCE FUND

The REV also estimates that the Social Insurance Fund will return to surplus this year after reporting a huge deficit last year, largely as a result of the Covid-19 payments made to employees and employers.

Last year the estimated income to the fund was €12 billion, while expenditure was estimated at €15 billion, leaving a deficit last year of €3 billion. This deficit was funded by the transfer of €2.6 billion from the Social Protection vote, which assumed that the fund had an excess of c. €400m from 2020.

However, this year it is estimated that income will increase slightly to €12.6 billion, but expenditure will drop significantly to €11.3 billion, leaving an estimated surplus this year of €1.3 billion.

The biggest expenditure from the SIF last year was pensions, which cost almost €8 billion or more than half the total expenditure of €15 billion. Income supports were next, at almost €5 billion.