Dear Sir / Madam,

Non-Taxable Benefit in Kind in respect of the
Non-Contributory Element of
State Employer Pension Contributions

I note that the PSPC is tasked in its review with inclusion of the value of PSFSP.

I set out below a simple costless reform regarding disclosure of information that to date has received no attention from Government.

I am writing to you in my capacity as a concerned citizen who would like to see the State take a more transparent stance in its dealing with its employees on behalf of all citizens.

It has always concerned me that the actual cost of providing Public Sector Pensions is strangely absent from public discourse when the issue of Public V Private sector comparisons are being made.

One simple step I advocate to rectify this lack of transparency, is to include the "notional" (weekly / monthly / annual) **actuarial untaxed cost of the benefit in kind** being received by State employees as determined by the State Actuarial Service on **all public sector payslips**. As the State does not have segregated pension funds, opting instead to apply a Pay as You Go funding model, this crucial element of total remuneration of all pensionable State Employees is lost from public access at the level of individual pay grades. This omission is particularly relevant to any benchmarking of Private & Public terms of employment before "security of tenure" comparisons are considered.

This information, if disclosed, would over time filter into the public domain in the form of a greater appreciation of the total pay & benefits for all grades of **Public Sector Staff & Office Holders**, thus ensuring informed discussion can take place. It would also inform new entrants to the service of the unfair value being allocated to their colleagues due to differing joining dates and benefit criteria.

In due course a public sector pension cap would no doubt be much easier to achieve, as the real costs involved in funding the higher salaried members of the service (including office holders with accelerated benefit "entitlements") would be out in the open, making it that much difficult to defend, given the "preferential" nature of such claims on the State's resources ie when funds are in deficit the State borrows rather than align its finances thus storing up more commitments for future generations.

This would be a costless initiative that the State could introduce in order to ensure that senior civil servants do not keep such information to themselves in a manner more befitting of "Yes Minister" - it was interesting to note that when private pension fund limits were brought in a decade ago, the initial €5m cap just happened to roughly equate to the actuarial value of a Permanent Secretary's pension entitlement, which in turn of course drives the levels enjoyed by our most senior "Office Holders".

Finally it is interesting to note that the State has capped its citizens life-time tax free lump sum at €200k which suggests it believes that a fund of €1m is sufficient for any citizen with a specific pension fund. Perhaps this limit should be applied by the State to cap the notional or actual pension fund for all citizens not just the private sector so that everyone has the same effective €1m valuation limit, irrespective of which sector they belong.

I await hearing from you in due course.

Regards,
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For and on behalf of
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