

HEALTH WEALTH CAREER

INTERNATIONAL COMPARISON OF REMUNERATION

SENIOR CIVIL SERVICE ASSOCIATION

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2. OVERVIEW

- Mercer reviewed the remuneration levels of Assistant Secretaries from a number of perspectives:
 - Ø Comparison with Assistant Secretary (or equivalent) roles in selected European countries
 - Ø Analysis of the differential between the Assistant Secretary and the Secretary General levels in selected European countries
 - Ø Comparison including a cost of living differences between the selected countries
 - Ø In the case of Ireland, we have used the average of the middle points of the Assistant Secretary salary scale and the Secretary General II salary
- The selected European countries are:
 - Ø Austria
 - Ø Belgium
 - Ø Finland
 - Ø Germany
 - Ø Netherlands
 - Ø United Kingdom

3. ASSISTANT SECRETARY COMPARISON

Assistant Secretary & EU Equivalents

Element of Compensation	Ireland (€)	Austria (€)	Belgium (€)	Finland (€)	Germany (€)	Netherlands (€)	UK (€)
Base salary	130,792	136,265	167,610	128,769	135,000	127,830	184,052
Pension Levy	-10,558						
Allowances			3,168	2,880	9,600		
Guaranteed Cash (Base salary + allowances - levy)	120,233	136,265	170,778	131,649	144,600	127,830	184,052
Performance Award / Incentive				6,438			7,068
Total Cash	120,233	136,265	170,778	138,087	144,600	127,830	191,119

Source: 2017 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology)

Note 1: Annual salary includes any guaranteed vacation or Christmas payment (for example a 13th month salary payment)

4. ASSISTANT SECRETARY COMPARISON ADJUSTED FOR COST OF LIVING DIFFERENCES

Assistant Secretary Ireland & EU Equivalents

Element of Compensation (Adjusted for cost of living)	Ireland (€)	Austria (€)	Belgium (€)	Finland (€)	Germany (€)	Netherlands (€)	UK (€)
Cost of living as % of Ireland	100	85	86	97	82	89	109
Base salary	130,792	159,804	194,326	132,231	164,477	144,237	168,726
Pension Levy	-10,558						
Allowances			3,673	2,957	11,696		
Guaranteed Cash (Base salary + allowances - levy)	120,233	159,804	197,999	135,189	176,173	144,237	168,726
Performance Award / Incentive			0	6,612		0	6,479
<i>Total Cash</i>	120,233	159,804	197,999	141,800	176,173	144,237	175,205

Source: 2017 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology).

Note 1: Annual salary includes any guaranteed vacation or Christmas payment (for example a 13th month salary payment).

Note 2: Cost of living data based on Eurostat figures (see Appendix 3).

5. SECRETARY GENERAL COMPARISON

Secretary General Ireland & EU Equivalents

Element of Compensation	Ireland (€)	Austria (€)	Belgium (€)	Finland (€)	Germany (€)	Netherlands (€)	UK (€)
Base salary	180,900	146,265	192,912	156,238	165,000	142,916	249,067
Pension Levy	-15,820						
Allowances			3,168	2,880	11,100		
Guaranteed Cash (Base salary + allowances - levy)	165,081	146,265	196,080	159,118	176,100	142,916	249,067
Performance Award / Incentive			3,463	7,812			9,564
<i>Total Cash</i>	<i>165,081</i>	<i>146,265</i>	<i>199,543</i>	<i>166,929</i>	<i>176,100</i>	<i>142,916</i>	<i>258,631</i>

Source: 2017 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology)

Note 1: Annual salary includes any guaranteed vacation or Christmas payment (for example a 13th month salary payment).

6. SECRETARY GENERAL COMPARISON ADJUSTED FOR COST OF LIVING DIFFERENCES

Secretary General Ireland & EU Equivalents

Element of Compensation (Adjusted for cost of living)	Ireland (€)	Austria (€)	Belgium (€)	Finland (€)	Germany (€)	Netherlands (€)	UK (€)
Cost of living as % of Ireland	100	85	86	97	82	89	109
Base salary	180,900	171,532	223,661	160,439	201,027	161,259	228,327
Pension Levy	-24,582						
Allowances			3,673	3,509	13,524		
Guaranteed Cash (Base salary + allowances - levy)	156,318	171,532	227,334	163,948	214,551	161,259	228,327
Performance Award / Incentive			4,015	8,022		0	8,768
Total Cash	156,318	171,532	231,349	171,970	214,551	161,259	237,095

Source: 2016 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology)

Note 1: Annual salary includes any guaranteed vacation or Christmas payment (for example a 13th month salary payment).

Note 2: Cost of living data based on Eurostat figures (see Appendix 3)

6. PAY DIFFERENTIAL BETWEEN SECRETARY GENERAL AND ASSISTANT SECRETARY ACROSS SELECTED EU COUNTRIES

Assistant Secretary remuneration as a percentage of Secretary General remuneration

Comparison	Ireland	Austria	Belgium	Finland	Germany	Netherlands	UK
Base Salary + Allowances - Levy Differential (%)	73	93	87	83	82	89	74
Total Cash Differential (%)	73	93	86	83	82	89	74

- In Ireland, the differential is significantly higher than in other EU countries with the exception of the UK
 - Ø For guaranteed cash (base salary plus allowances, less levy) Assistant Secretaries in Ireland are remunerated at 73% of Secretaries General, while the average is 85% across the comparator group.
 - Ø For total cash (Guaranteed cash plus performance award) Assistant Secretaries in Ireland are remunerated at 73% of Secretaries General, while the average is 84% across the comparator group.

7. OBSERVATIONS

ASSISTANT SECRETARY REMUNERATION

Comparison with selected EU countries	% of average
Irish guaranteed cash (base salary plus allowances) compared to average of selected countries	88%
Irish guaranteed cash (less pensions levy) compared to average of selected countries	81%
Irish total cash (including bonus) compared to average of selected countries	79%
When adjusted for cost of living differences	
Irish guaranteed cash compared to selected EU countries	80%
Irish guaranteed cash (less pensions levy) compared to average of selected countries	73%
Irish total cash (including bonus) compared to average of selected countries	72%

8. PENSIONS

COMPARISON OF SELECTED COUNTRIES

	Ireland	Austria	Belgium	Finland	Germany	Netherlands ²	UK
Scheme	Civil service scheme	Civil service scheme	Civil service scheme	State scheme only	Civil service scheme	State + civil service schemes	State + civil service schemes (Classic scheme)
Maximum Benefit (as % of Final Salary)	50%, plus lump sum of 1.5 X final salary	80% (final salary averaged over 6 years) ¹	75% (Final Salary)	69% (1.5% X years between 17 and 63)	71.75% (Final Salary)	N/A	50%, plus lump sum of 1.5 X final salary
Employee Contributions	Pension levy + 1.5% for Spouses and Childrens pension	10.5% - 12.5%, depending on date of birth	8.5%	Age between 53 and 62: 7.65% Under 53 or above 62: 6.15%	0%	Formula based on calculated pensionable salary	6.85%
Normal Retirement Age	60	65 (62 may be possible with exceptions)	60	63 (Increasing to 65)	Increase from 65 to 67 (until 2029)	Between 65 and 67	65 (Increase to 68 at 2046)
Post-retirement increases	Salaries of serving staff	From 2009, based on COL.	Blend of COL / Salaries of serving staff	Blend of COL / General wages	Salaries of serving staff	N/A	COL

¹ Recent reform will result in an increase in the 6 year averaging period

² For Civil Servants born after 1949, pension benefits accrue based on retirement age, service, rate of accumulation and annual salary less a contribution-free amount

Note: In Ireland the pensions levy represents 8.1% of salary at the mid point of the Assistant Secretaries scale

APPENDIX 1

METHODOLOGY

- To facilitate comparisons across the different countries, public sector data was collected using a standardised questionnaire. This was verified, where possible, using publicly available sources (See Appendix 2). Data was subsequently reviewed by Mercer consultants in each of the countries.
- For the selected EU countries, where pay scales are in place for the Assistant Secretary and Secretary General grades, the mid points of these scales have been used for comparative purposes.
- Where both the Secretary General and Assistant Secretary were reported to be on a single scale, assumptions were made on the positioning within the scale based on publicly available information.
- The selected EU country base pay figures include any additional months pay or guaranteed payments in respect of holiday or Christmas. Allowances include any other guaranteed allowances provided:
 - Ø Austria: base salary includes two additional months salary.
 - Ø Belgium: base salary includes an additional 1.92 months pay (13th month and vacation pay). The allowance figure reflects a travel allowance.
 - Ø Finland: base salary includes holiday pay.
 - Ø Germany: base salary includes a 13th month and year-end bonus of 2.5% of annual pay. Allowances include a family allowance (assuming 2 children) and a ministry allowance.
 - Ø Netherlands: base salary includes 8% holiday pay and a year-end payment of 8.3%. The Secretary General base pay includes a 5% fixed payment for being the most senior manager within a Department.

APPENDIX 1

METHODOLOGY (CONTINUED)

- The selected EU country annual incentive is based on the typical annual payment. Where a typical annual payment figure is not available, the potential payment is reported. For Ireland a figure of 10% was used, however a performance award for 2008 has not been paid at this stage. Within Belgium a payment is made in respect of performing a mandate. This has been pro-rated for the typical length of the term of office.
- The exchange rate with the UK is based on a one year average to the end of March 2017. One Euro is equal to 0.84134 pence Sterling.
- Information in respect of pensions has been drawn from the completed questionnaires and publicly available information. The Irish civil service pension plan is the plan for staff hired before 1995. The UK plan is the Classic Pension Plan which applies to the majority of staff.

APPENDIX 2

PUBLIC SECTOR SOURCE DATA

- To facilitate comparisons across the different countries, public sector data was collected using a standardised questionnaire. This was verified, where possible, using publicly available sources. Data was subsequently reviewed by Mercer consultants in each country.
- In addition, the following sources were helpful in providing a range of information:

Country	Data sources
Austria	The Federal Chancellors Office Department III/2 www.jusline.at www.ris.bka.gv.at
Belgium	www.fedweb.belgium.be
Finland	www.suomi.fi www.vm.fi www.bit.hut.fi
Germany	www.besoldungstabelle.de www.beamtenbesoldung.org www.oeffentlicher-dienst.info
Ireland	www.finance.gov.ie
Netherlands	www.minbzk.nl
UK	www.ome.uk.com
General	Top Public Sector Pay in Europe - European Institute of Public Administration

APPENDIX 3

COST OF LIVING COMPARISON

- The table below shows the comparative cost of living difference between the selected countries:

Country	Comparison to Ireland (Ireland = 100)	Comparison to EU 27 (EU27 = 100)
Austria	85	104
Belgium	86	105
Finland	97	119
Germany	82	100
Ireland	100	122
Netherlands	89	108
UK	109	133

Based on Eurostat Purchasing Power Parity, updated 31/03/2016

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