

12 October 2012

Mr Ted Mc Enery
Clerk to the Committee
Committee of Public Accounts
Leinster House
Dublin 2



Review of Public Sector Allowances – payment of allowances to Members and Parties in the Oireachtas

Dear Mr McEnery

I refer to your letter of 28th September 2012 requesting details of all allowance payments made from central funds or from the vote of the Department to Members and Parties in the Oireachtas and the legal basis for any such payment. For the purposes of this reply, I have taken this to mean the payments made in 2011.

Two forms of payments are made from the Central Fund, allowances under the Party Leaders Allowance regime and payments under the Electoral Acts. In accordance with the terms of your letter, we are excluding payments under the Electoral Acts. I would like to confirm that no allowances were paid to Members and Parties in the Oireachtas from the Vote of my Department.

The Party Leader's Allowance is provided for in the Oireachtas (Ministerial and Parliamentary Offices) Act, 1938, as amended by the Oireachtas (Ministerial and Parliamentary Offices (Amendment) Act, 2001.

Under the legislation, the amounts paid to the parliamentary leader of a qualifying party are calculated on the following basis:

TDs	€	Government Parties*
First 10 members	71,520	47,680
11 members to 30	57,214	38,143
More than 30 members	28,616	19,077
Senators	€	
First 5 members	46,766	
Over 5 members	23,383	

*The legislation provides that, in the case of a qualifying party forming part of the Government, the combined allowances due in respect of TDs of that party are reduced by one third.

The legislation also provides that payments may be made to a member of Dáil Éireann, who at the last preceding general election or at a subsequent by-election was elected as a member other than as a member of a qualifying party, i.e. an Independent Member. Such qualifying Independent TDs are entitled to an annual rate of €41,152. A similar provision in the Act provides for an annual payment of €23,383 for Independent Senators

The total amount paid for the period 1 January 2011 to 31 December 2011 is set out at Appendix I.

Oireachtas Allowances Regime

While the Minister for Public Expenditure and Reform is the regulatory authority with regard to the Oireachtas Allowances regime, the amounts paid under this regime to members of the Oireachtas are administered and paid for by the Oireachtas Service. I note that you are writing separately to the Accounting Officer for the House of the Oireachtas Services seeking details of allowances paid to members and parties paid by the Service. Accordingly, a detailed reply in relation to those allowances is not included in my reply.

Expense Allowances

I attach for the information of the Committee, at Appendix II, the legislation governing the payment of the following Oireachtas expense allowances:

- Parliamentary Standard Allowance.
- Additional Telephone allowance payable to Chairman of the PAC and other Chairman of various Committees, Whips etc.
- Free Telephone calls from Leinster House
- Free Postal Facilities
- Secretarial Allowances [secretarial staff are provided by the Oireachtas Service]
- Allowance to Attorney General who is not a member of the Oireachtas
- Allowance in respect of providing Constituency Office Accommodation.

Allowances paid to Holders of Specified Positions

Allowances paid to Holders of Specified positions, to Chairpersons of Oireachtas Committees and to Oireachtas Members and Parties of the Oireachtas by virtue of their position by the Houses of the Oireachtas Service are provided by virtue of *The Oireachtas (Allowances) (Members and Holders of Parliamentary and Certain Ministerial Offices) Order 2011 (S.I. No 347 of 2011)*, and *Oireachtas (Allowances) (Chairpersons of Oireachtas Committees) Order 2011 (S.I. No. 530 of 2011)*.

In your letter you state that the Committee of Public Accounts “will ask that an independent arbiter be assigned” to undertake a review of payments of allowances to Members and Parties in the Oireachtas. Under the legislation specified above, policy on

allowances paid to Members or Parties in the Oireachtas falls to be determined by the Minister for Public Expenditure and Reform. Of course, the Minister would welcome any views from the Committee in relation to these matters to assist his deliberations.

Yours sincerely



Robert Watt
Secretary General

Appendix I

Party Leaders Allowance	
Total amounts paid in 2011	
	€
Political Party	
Fianna Fáil	1,746,500.88
Green Party	75,583.10
Fine Gael	2,579,029.69
Labour	1,634,607.19
Sinn Féin	933,875.54
Socialist Party	120,902.86
People before Profit	120,902.86
Independent TDs	
F McGrath	39,437.30
M Lowry	39,437.30
M O Sullivan	39,437.30
J Healy Rae	4,654.09
S Ross	34,783.20
Michael Wallace	0.00
Michael Healy Rae	34,783.20
Noel Grealish	34,783.20
Stephen Donnelly	34,783.20
Luke Flanagan	34,783.20
John Halligan	34,783.20
Mattie McGrath	34,783.20
Catherine Murphy	34,783.20
Thomas Pringle	34,783.20
Tom Fleming	34,293.30
Seamus Healy	34,783.20
Independent Senators	
D Norris	23,112.33
S Ross	3,618.79
F Quinn	23,112.32
J O Toole	7,198.92
E Harris	7,198.92
R Mullen	23,112.32
John Crown	15,913.40
Sean Barrett	15,913.40
Martin McAleese	3,247.63
Fiach Mac Conghaill	14,394.35
Eamon Coghlan	14,394.35
Dr. Katherine Zappone	14,394.35
Mary Ann O'Brien	14,394.35
Marie Louise O'Donnell	14,394.35
Jillian Van Turnhout	14,394.35

**LEGISLATION WITH REGARD TO THE AMENDED EXPENSES REGIME
THAT HAS APPLIED SINCE 1 MARCH 2010**

Primary Legislation

**Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices Act 2009
[No. 29 of 2009]**

3.— (1) Where
a member of the
Oireachtas is
entitled to—

- (a) payments for travelling facilities prescribed under section 5 (as amended by section 18 of the Act of 1998) of the Act of 1964 and granted under [section 2](#) of the [Oireachtas \(Allowances to Members\) Act 1938](#) ,
- (b) the overnight allowance under section 1 (inserted by section 2 of the Act of 1996 and as amended by section 15 of the Act of 1998) of the Act of 1962,
- (c) a telephone allowance under section 2(2) (inserted by section 3 of the Act of 1996) of the Act of 1962, or
- (d) an allowance for expenses under section 3 (as amended by section 19 of the Act of 1998 and section 37 of the Act of 2001) of the Act of 1992,

the Minister may decide that any payment due to the member in respect of all or any of them may be paid together as a single composite monthly payment (“ parliamentary standard allowance”) to the member, of the amount determined in regulations under this section, in lieu of each allowance or payment due to the member being paid separately to him or her.

(2) Where the parliamentary standard allowance applies under this section to a member of the Oireachtas—

- (a) the rate payable for travelling expenses determined in regulations under section 5(1A) (inserted by section 18 of the Act of 1998) of the Act of 1964,
- (b) an overnight allowance of the amount sanctioned by the Minister for Finance under section 1(2) (inserted by section 15 of the Act of 1998) of the Act of 1962,
- (c) a telephone allowance of the amount prescribed in regulations under section 2(2)(a) (inserted by section 3 of the Act of

1996) of the Act of 1962, and

(d) the rate payable of an allowance for expenses determined in regulations under section 3(4) of the Act of 1992,

do not apply to the member.

(3) The Minister may, in applying the parliamentary standard allowance to a member of the Oireachtas—

(a) by regulations revoke any regulations made under the provisions referred to in *subsection (2)*, and

(b) determine in regulations made under *subsection (4)* the rates and amounts payable under those provisions in determining the amount of the parliamentary standard allowance payable to a member of the Oireachtas in regulations under that subsection.

(4) The Minister may, by regulations, in respect of the parliamentary standard allowance, determine—

(a) the date from which the allowance is payable,

(b) the amount of the allowance payable—

(i) to a member or members of Dáil Éireann, and

(ii) to a member or members of Seanad Éireann,

and

(c) the manner in which, and the exceptions, restrictions and conditions (including attendance recording and deductions for non-attendance) subject to which, the allowance is to be provided and paid.

(5) Regulations under this section may, if so expressed, have retrospective effect.

(6) Every regulation made under this section shall be laid before each House of the Oireachtas as soon as may be after it is made and, if a resolution annulling the regulation is passed by either House within the next 21 days on which the House has sat after the regulation has been laid before it, the regulation shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(7) [Section 836](#) of the [Taxes Consolidation Act 1997](#) is amended—

(a) by inserting after subsection (1A) (inserted by section 21 of the Act of 1998) the following:

“(1B) Parliamentary standard allowance payable under [section 3](#) of the *Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices Act 2009* is exempt from income tax and shall

not be reckoned in computing income for the purposes of the Income Tax Acts.”,

and

(b) in subsection (2), by inserting “or under [section 3](#) of the *Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices Act 2009* or any allowance or payment made in respect of any particular allowance or payment referred to in subsection (1) of that section” after “1992,”.

(8) In this section—

“ Act of 1962 ” means Oireachtas (Allowances to Members) Act 1962;

“ Act of 1964 ” means Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendment) Act 1964;

“ Act of 1992 ” means Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendment) Act 1992;

“ Act of 1996 ” means Oireachtas (Miscellaneous Provisions) and Ministerial and Parliamentary Offices (Amendment) Act 1996;

“ Act of 1998 ” means Oireachtas (Allowances to Members) and Ministerial, Parliamentary, Judicial and Court Offices (Amendment) Act 1998;

“ Act of 2001 ” means Ministerial, Parliamentary and Judicial Offices and Oireachtas Members (Miscellaneous Provisions) Act 2001;

“ Minister ” means Minister for Finance.*

- Now the Minister for Public Expenditure and Reform

Secondary Legislation

S.I. No. 84/2010 — Oireachtas (Allowances and Facilities) Regulations 2010.

S.I. No. 331/2010 — Oireachtas (Allowances and Facilities) (Amendment) Regulations 2010.

These regulations amend the existing regulations (S.I. No. 84 of 2010) governing the payment of the Standard Parliamentary allowance which came into effect on 1 March 2010. This regulation provides for members of the Oireachtas to be able to claim for their travel and overnight expenses for the period 1 January 2010 to 28 February 2010 under the previous regulations.

S.I. No. 328/2011 — Oireachtas (Allowances and Facilities) (Amendment) Regulations 2011.

These Regulations reduced the number of pre-paid envelopes provided to Deputies from 1,500 per month to 1,250 per month and for Senators from 1,000 per month to 750 per month from 1 July 2011.

S.I. No. 37/2012 — Oireachtas (Allowances) (Amendment) Regulations 2012.

These Regulations allow for the Public Representational Allowance element of the Parliamentary Standard Allowance to be used to claim certain expenses for secretarial support as well as the other existing categories but not for staff or other costs already claimed for under Regulation 9 of SI 84 of 2010 [secretarial support], the Regulations of 2008 [secretarial support] or staff employed in Ministerial offices.

This change allowed the Public Representational Allowance [PRA] element of PSA to be used for expenses, including any statutory deductions, for the purchase of secretarial support, public relations, information technology (but not internet related) and training services under a contract for service from a person or service provider, other than persons engaged or expenses incurred under the existing Secretarial Assistance scheme or Ministerial staff employed in Ministerial Offices. This addition did not affect the maximum level that may be claimed (maximum of €15,000 for Senators, €20,000 for Ministers and €25,700 for TDs).

-Further Note on SI 37 of 2012

The Minister agreed to the making of this Order, following representations from Oireachtas Members to add, among other things, occasional secretarial support that members may require from time to time to the qualifying list of items on which members can claim the Public Representational Allowance element of the Parliamentary Standard Allowance.

Arising from this change, Deputies and Senators may now claim expenses for the purchase of additional secretarial as well as public relations, information technology (but not internet related) and training services under the Public Representational Allowance. This arrangement is separate to the existing Secretarial Assistance scheme provided for members in Regulation 9 of Statutory Instrument 84 of 2010 and members will not be able to claim for the same expense under both headings.

Where members claim the unvouched amounts of the Public Representational Allowance they must declare at the end of each relevant period that the amount claimed was expended on the items for which the PRA is intended.

Where members claim above the unvouched Public Representational Allowance amounts they must retain all invoices for the full amount for which they claim for a period of at least 5 years and up to 10% of members may be subject to audit each year. The Minister considers that providing for a random audit in this way offers an important, transparent and cost effective reassurance that taxpayer funds are being spent in accordance with the Regulations providing for them.