Correspondence Item 2 Meeting – 23/10/2012



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4 October 2012

Mr Ted McEnery Clerk Committee of Public Accounts Leinster House Kildare St Dublin 2

Re: Review of Public Sector Allowances

Dear Mr McEnery

I refer to your letter dated 28 September 2012, requesting details of allowance payments made to Members of the Oireachtas and political parties and to that end I attach an explanatory document, which outlines the allowances paid to all Members, including Office holders. The Committee should be aware that these allowances are administered by the Houses of the Oireachtas Service on the basis of policy decisions and statutory regulations made by the Minster for Public Expenditure and Reform, who is the regulatory Authority in relation to these matters and it should be noted that the Houses of the Oireachtas Commission has no function in this area.

In relation to allowances paid to political parties, the Service does not pay any allowances to political parties (such as the leaders' allowance) which are allocated and administered by the Department of Public Expenditure and Reform. The Service does, however, provide facilities (such as ITC equipment etc.) to Political Parties and individual Members but these are not in the form of any allowances.

You also requested the legal basis for any allowances and I attach a list of the relevant legislation in that regard – the most significant of which is SI 84/2010 which regulated for the new single allowance (PRA) which was introduced in March 2010. Please note that all allowances with the exception of two, (namely Chairperson's Entertainment Allowance and Mobile Phone – Direct Purchase Scheme) have a legal basis.

If you require any additional information, please do not hesitate to contact me or my officials in that regard.

Yours sincerely

Kieran Coughlan Accounting Officer

Allowances paid by the House of the Oireachtas Service

Salary Allowances

In addition to their TDs and Senators salaries of €92,672 and €65,621 per annum respectively, the Ceann Comhairle, Leas-Cheann Comhairle, and Cathaorleach, Leas Cathaoirleach and Leader of the Seanad receive a salary allowance as follows:

Annual Salary Allowance with effect from 1 January 2012		
€76,603		
€37,370		
€44,336		
€24,429		
€19,439		
	€76,603 €37,370 €44,336 €24,429	

These salary allowances are treated as salary for deductions and pension entitlement purposes.

Payments to Holders of Specified Positions in Dáil Éireann

Certain specified positions within the Houses of the Oireachtas also have an additional salary allowance as follows:

Position	Rates of annual allowance with effect from 9 th March
	2011
Whip to the Fianna Fáil Party	€19,000
Assistant Government Whip	€15,000
Whip to the People Before Profit Party	€6,000
Whip to the Sinn Féin Party	€6,000
Whip to the Socialist Party	€6,000
Assistant Whip to the Fianna Fáil Party	€9,500
Assistant Whip to the Fine Gael Party	€7,500
Assistant Whip to the Labour Party	€6,000
Assistant Whip to the Sinn Féin Party	€3,000

Payments to Holders of Specified Positions in Seanad Éireann

Rates of annual allowance with effect from 25 th May
2011
€9,500
€6,000
€4,000
€9,500
€6,000
€6,000
€6,000
€4,000
€4,000

Payment to Chairpersons of Oireachtas Committees and Commission Members

Oireachtas Committee	Rates of allowance with effect from 8 th June 2011
Chairperson of Joint Committees	€9,500 per annum
Select Committee on Members' Interests of Seanad Éireann	€3,100 per annum
Commission Members rate from 9 th March 2011	€9,500 per annum

Allowances and Expenses

Parliamentary Standard Allowance (PSA)

The Oireachtas (Allowances and Facilities) Regulations, 2010 (SI 84/2010) outline all the provisions of the Parliamentary Standard Allowance (PSA). The allowance came into effect on 1st March 2010 and has two elements:

- Travel and Accommodation Allowance (TAA)
- Public Representation Allowance (PRA)

Both allowances are paid in arrears as a single monthly allowance.

Travel and Accommodation Allowance (TAA)

TAA is paid to members in bands based on the distance from Leinster House, The rates of the TAA allowance for all Members by band are as follows:

Band Number	DISTANCE	TDs Annual	SENATORS	OFFICE HOLDERS ANNUAL
Dublin	Loss there 25har			
Dublin	Less than 25km	€12,000	€7,000	€8,400
1	25km or more but less than 60km	€28,106	€23,106	€24,457
2	60km or more but less than 90km	€30,350	€25,350	€27,150
3	90km or more but less than 120km	€31,850	€26,850	€28,950
4	120km or more but less than 150km	€32,966	€27,966	€30,289
5	150km or more but less than 180km	€33,350	€28,350	€30,750
6	180km or more but less than 210km	€33,722	€28,722	€31,196
7	210km or more but less than 240km	€34,094	€29,094	€31,643
8	240km or more but less than 270km	€34,850	€29,850	€32,550
9	270km or more but less than 300km	€35,594	€30,594	€33,443
10	300km or more but less than 330km	€36,350	€31,350	€34,350
11	330km or more but less than 360km	€37,106	€32,106	€35,257
12	360km or more	€37,850	€32,850	€36,150

This allowance, based on distance from the Member's normal place of residence to Leinster House, covers the costs of travel to and from Leinster House, overnights and, for TDs only, other travel expenses (within a Member's constituency). Senators are paid a reduced amount as there are no payments for constituency travel. Oireachtas Office Holders, excluding the Ceann Comhairle, are paid an allowance ranging from €8,400 per annum for the Dublin based Office Holders to €36,150 per annum for those 360km or more from Leinster House. Currently, the Ceann Comhairle is paid an annual overnight allowance of €16,350. The Leas Cheann Comhairle or Cathaoirleach may opt for payment of the overnight allowance only and apply for alternative travel arrangements with agreement of the Minister for Finance.

Ministers, Ministers of State and the Ceann Comhairle are not entitled to claim the travel and accommodation allowance.

Public Representation Allowance (PRA)

The current rates of the allowance are as follows:

Category	Minimun certified amount for unvouched expenditure (Any amount above this allowance is subject to audit)	Fully vouched maximum amount for vouched expenditure (Subject to audit)
TDs	€15,000	€25,700
Ministers and Ministers of State	€12,000	€20,000
Senators	€9,250	€15,000

This allowance is payable to all Members (including Ministers and Oireachtas Office Holders). Members may opt for either the <u>certified unvouched</u> amount or the <u>fully vouched amount</u>. Members opting for the vouched amount must retain receipts for the full amount claimed and declare their option annually. Members receiving any amounts of the allowance above the certified unvouched rate may be subject to audit, which are carried out by an independent auditor annually.

Other Allowances

Telephone and Postal Facilities within Leinster House

The Regulations provide for free telephone and postal facilities available from Leinster House. The postal facilities allowances of pre-paid envelopes per month are 1,250 for TDs and 750 for Senators. In addition, Members holding certain specified positions e.g. chairpersons of Oireachtas committees, have an additional telephone allowances of €11,000 annually which is paid quarterly (an increased amount of €1,700 is paid to the chair of the PAC).

Mobile Phone Scheme - Direct Purchase Scheme

The current provision is a maximum of €750 every 18 months for the purchase of a mobile phone, car kit, installation costs and insurance subject to an application with receipts and proof of expenditure for all the expenditure incurred.

Constituency Office Grant

TDs are eligible for a once off grant of €8000 if he/she incurs expenses in establishing and equipping accommodation for his/her secretarial or parliamentary assistant outside Leinster House.

Once off Payment at Elections

Members are entitled to claim a once-off payment in respect of travel costs incurred in travelling to Dublin to sign the Roll of Members. For Deputies, on dissolution, a once-off payment in respect of travel costs to return to the constituency within three days. The rate of the payment of travelling facilities for these purposes is based on the actual mileage at the prevailing lower rate (currently 28 cents per km) as stipulated by the Department of Finance.

Secretarial Allowance

Secretarial Allowance Options

The options for Deputies, Ministers and Senators are as follows: -

Deputy Options	Minister Options	Senator Options
Staff option (formerly option A) Engagement of full time Parliamentary Assistant (enabling a Deputy to have a Parliamentary Assistant in addition to the staff allocation through HR Unit for Members of one Secretarial Assistant)	No Staff Option	Staff Option (formerly option A) Additional 50% Secretarial Assistant (enabling a Senator to have a 50% Secretarial Assistant in addition to the staff allocation through HR Unit for Members of 50% Secretarial Assistant)
Vouched Allowance Option (formerly option C) An annual allowance of €41,092 fully vouched for secretarial assistance by employing a TVE or a contract for service to undertake defined work such as secretarial assistance, PR, IT (but not web related) and training.	Vouched Allowance Option (formerly option A) An annual allowance of €41,092 fully vouched for secretarial assistance by employing a TVE or by a contract for service to undertake defined work such as secretarial assistance, PR, IT (but not web related) and training	Vouched Allowance Option (formerly option B) An annual allowance of €20,546 fully vouched for secretarial assistant for a TVE or a contract for service to undertake defined work such as secretarial assistance, PR, IT (but not web related) and training

Part Vouched Allowance Option	Part Vouched Allowance Option	Part Vouched Allowance Option
(formerly option D)	(formerly option B)	(formerly option C)
An annual allowance of €8,888.17 unvouched paid in two instalments of €4,444.08	An annual allowance of €8,888.17 un-vouched paid in two instalments of €4,444.08	An annual allowance of €6,666.12 unvouched paid in two instalments of €3,333.06
No claim forms or receipts required and allowance paid automatically.	No claim forms or receipts required and allowance paid automatically.	No claim forms or receipts required and allowance paid automatically
And		And
An annual allowance of €11,591	And	An additional 25% of staff (enabling a
vouched for secretarial assistance by	An annual allowance of €11,591	Senator to have a 25% Secretarial
employing a TVE or a contract for	vouched for secretarial assistance	Assistant in addition to the staff
service to undertake defined work	by employing a <u>TVE</u> or a contract	allocation through HR Unit for
such as secretarial assistance, PR, IT	for service to undertake defined	Members of 50% Secretarial Assistant)
(but not web related) and training	work such as secretarial assistance, PR, IT (but not web related) and training	

Members may also claim a Secretarial Allowance (SA) for <u>additional secretarial services</u>, and is to assist towards expenses arising from the purchase of certain secretarial assistance, public relations, information technology and training services from a <u>person employed under a contract of service</u> or the <u>purchase of such services</u> under a contract of service.

The <u>Member is the Employer or the Contractor</u> of the service subject to the terms and conditions for the scheme which is funded by the Houses of the Oireachtas. The salary and invoice for services is paid directly by the Houses of the Oireachtas to the employee or the service provider on behalf of the Member. The un-vouched allowance part of any option is paid directly to the Member.

Chairpersons Entertainment Allowance

Each Committee Chairperson has an annual allocation of €2,539 for entertainment purposes.

LEGISLATION PROVIDING FOR ALLOWANCE

Oireachtas (Allowances to Members) Act, 1938;

Oireachtas (Allow to Members) Act 1962;

Oireachtas (Allowances to Members and Ministerial, Parliamentary and Judicial Offices (Amendment) Act, 1983;

Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendment) Act 1992;

Oireachtas Allowances to Members Act 1994;

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

Oireachtas (Ministerial) and Parliamentary Offices (Amendment) Act 2001;

Ministerial Parliamentary and Judicial Offices and Oireachtas Members (Miscellaneous Provisions) Act 2001

Houses of the Oireachtas Commission Act 2003Financial Emergency Measures in the Public Interest (No 2) Act, 2009,

Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices Act, 2009,

ALLOWANCES

Office Holder Allowances (CC, LCC, Taoiseach etc)

Super Junior Allowance

Specified Positions (in Dáil and Seanad e.g. Whips etc)

Specified Positions (Committee Chairpersons)

Commission Allowances (Membership of Commission)

Parliamentary Standard Allowance

Additional Telephone Allowance

Secretarial Allowance Scheme

Secretarial Allowance Scheme

Direct Purchase Scheme

Postal Facilities

Party Leaders Allowance

REGULATIONS

entitled

Oireachtas (Allowances and Facilities) (Amendment) Regulations 2011

To be made by the

Minister for Finance

- I, Michael Noonan, Minister for Finance, in exercise of the powers conferred on me by section 2(1)(b)(inserted by section 11(1) of the Oireachtas (Allowances to Members and Ministerial and Parliamentary Offices (Amendment) Act 1992 (No.3 of 1992)) and section 3 of the Oireachtas (Allowances to Members) Act 1962 (No. 32 of 1962)) hereby make the following regulations:
- (1) These Regulations may be cited as the Oireachtas (Allowances and Facilities)
 (Amendment) Regulations 2011.
 - (2) These Regulations come into operation on 1 July 2011.
- Regulation 8(1) of the Oireachtas (Allowances and Facilities) Regulations 2010 (S.I.
 No. 84 of 2010) is amended by substituting for subparagraph (d) the following:
 - "(d) a member shall be entitled to receive a monthly allocation of ordinary prepaid envelopes not exceeding -
 - in the case of a member who is a party whip in Dáil
 Éireann, the number obtained by adding -

- (I) the number that is equal to the number of members for the time being of the parliamentary party of which the member is whip when multiplied by 10, and
- (II) 1,250,
- (ii) in the case of any other member of Dail Éireann, 1,250,
- (iii) in the case of a member who is a group whip in Seanad Éireann, the number obtained by adding -
 - (I) the number that is equal to the number of members for the time being of the group of which the member is whip when multiplied by 10, and
 - (II) 750,

and

(iv) in the case of any other member of Seanad Éireann,750;".

GIVEN under my Official Seal,

29 June 2011.

Michael Noonan

Minister for Finance.

EXPLANTORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation)

These Regulations amend the existing principal Regulations (S.I. 84 of 2010) which provides for the payment of a Parliamentary Standard Allowance to reimburse members of the Oireachtas for certain expenses incurred and also deals with the provision of free postage and telephone facilities and the secretarial allowance scheme.

These Regulations reduce the number of pre-paid envelopes provided to TDs 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.