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MARSH MERCER KROLL  
GUY CARPENTER OLIVER WYMAN



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## Comparison of Remuneration Association of Assistant Secretaries & Higher Grades

Patrick Robertson & Brian Duncan



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## Overview

- Mercer reviewed the remuneration levels of Assistant Secretaries from a number of perspectives:
  - Comparison with the Irish private sector for roles of a similar size and scope based on the Mercer position evaluation methodology
  - Comparison with Assistant Secretary (or equivalent) roles in selected European countries
  - Analysis of the differential between the Assistant Secretary and the Secretary General levels in selected European countries
  - Comparison of cost of living differences between the selected countries
- The selected European countries are:
  - Austria
  - Belgium
  - Finland
  - Germany
  - Netherlands
  - United Kingdom

## Comparison with the Irish private sector (2009 data)

Pay element	2009 Irish Private Sector			Assistant Secretary	
	Lower Quartile	Median	Upper Quartile	Bottom of Scale	Top of Scale
Base salary (€)	166,279	199,572	248,732	131,748	150,712
Pension Levy (€)				-13,167	-15,357
Performance Award / Bonus (€)	6,651	24,947	64,670	13,175	15,071
Pension (DB) (€)	25,773	33,329	44,772	42,159	48,228
Pension (DC) (€)	13,302	20,756	37,310		
Car/Allowance (€)	11,900	15,480	18,900		
LTI's (€)	5,155	12,373	35,071		
Other Benefits (€)	3,340	3,925	5,296		
Total Remuneration (€)	250,838	325,220	415,002	173,915	198,654

Source: Private sector data from Mercer 2009 Total Remuneration Database. See Appendix 1 for methodology  
 Note: The Assistant Secretaries performance award for 2008 has not been paid at this stage. The pensions levy calculation includes an award.

## Comparison with the 2009 Irish private sector contd.

Comparison with Irish private sector 2009 remuneration	% of Lower Quartile	% of Median
Assistant Secretary base salary (excluding pensions levy) compared to private sector base salary.	85%	71%
Assistant Secretary base salary (including pensions levy) compared to private sector base salary.	76%	64%
Assistant Secretary total remuneration (including performance award and pensions levy) compared to private sector total remuneration.	74%	57%
Assistant Secretary total remuneration (excluding performance award, but including pension levy) compared to private sector total remuneration.	69%	53%

Source: Private sector data from the Mercer 2009 Total Remuneration Database. Public sector data from 2009 pay scales

Note: Assistant Secretary scale mid point used for comparison.

## Assistant Secretary - Comparison with the selected EU countries

### Assistant Secretary & EU Equivalents

Element of Compensation	Ireland €	Austria €	Belgium €	Finland €	Germany €	Netherlands €	UK €
Base salary	141,230	120,952	150,621	110,337	120,154	120,398	181,670
Pension Levy	-14,262						
Allowances			3,168		8,716	4,125	
Guaranteed Cash (Base salary + allowances - levy)	126,968	120,952	153,789	110,337	128,870	124,523	181,670
Performance Award / Incentive	14,123		2,330	13,792			18,167
Total Cash	141,091	120,952	156,119	124,129	128,870	124,523	199,837

Source: 2009 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology) Note base salary includes any guaranteed vacation or Christmas payment (for example a 13<sup>th</sup> month)

Note: The above figures include the performance award in Ireland. The 2008 award has not been paid at this stage

## Assistant Secretary - Comparison with selected EU countries (adjusted for cost of living differences)

### Assistant Secretary & EU Equivalents

Element of Compensation	Ireland €	Austria €	Belgium €	Finland €	Germany €	Netherlands €	UK €
Cost of living as % of Ireland	100	82	87	98	82	81	78
Base salary	141,230	146,738	172,664	112,374	146,752	147,761	231,931
Pension Levy	-14,262						
Allowances			3,632		10,646	5,063	
Guaranteed Cash (Base salary + allowances - levy)	126,968	146,738	176,295	112,374	157,398	152,824	231,931
Performance Award / Incentive	14,123		2,671	14,047			23,193
Total Cash	141,091	146,738	178,966	126,420	157,398	152,824	255,124

Source: 2009 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology) Note base salary includes any guaranteed vacation or Christmas payment (for example a 13th month). Cost of living data based on Eurostat figures (see Appendix 3)

Note: The above figures include the performance award in Ireland. The 2008 award has not been paid at this stage

## Secretary General - Comparison with selected EU countries

### Secretary General & EU Equivalents

Element of Compensation	Ireland €	Austria €	Belgium €	Finland €	Germany €	Netherlands €	UK €
Base salary	253,635	138,548	174,742	131,263	146,927	134,524	245,844
Pension Levy	-24,582						
Allowances			3,168		10,263	4,125	
Guaranteed Cash (Base salary + allowances - levy)	229,053	138,548	177,910	131,263	157,190	138,649	245,844
Performance Award / Incentive			3,137	16,408			24,584
Total Cash	229,053	138,548	181,047	147,671	157,190	138,649	270,428

Source: 2009 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology) Note base salary includes any guaranteed vacation or Christmas payment (for example a 13th month).

Note: Within the UK the performance bonus has not been accepted in 2009

Note: The Secretaries General accepted a cut in salary (not impacting on pension) in 2009 which is not included above.



## Secretary General - Comparison with selected EU countries (adjusted for cost of living differences)

### Secretary General & EU Equivalents

Element of Compensation	Ireland €	Austria €	Belgium €	Finland €	Germany €	Netherlands €	UK €
Cost of living as % of Ireland	100	82	87	98	82	81	78
Base salary	253,635	168,085	200,314	133,686	179,451	165,098	313,859
Pension Levy	-24,582						
Allowances			3,632		12,535	5,063	
Guaranteed Cash (Base salary + allowances - levy)	229,053	168,085	203,946	133,686	191,986	170,160	313,859
Performance Award / Incentive			3,596	16,711			31,386
Total Cash	229,053	168,085	207,541	150,397	191,986	170,160	345,245

*Source: 2009 pay data for the appropriate comparative positions (see Appendix 1 & 2 for methodology) Note base salary includes any guaranteed vacation or Christmas payment (for example a 13th month). Cost of living data based on Eurostat figures (see Appendix 3)*

*Note: Within the UK the performance bonus has not been accepted in 2009*

*Note: The Secretaries General accepted a cut in salary (not impacting on pension) in 2009 which is not included above.*

## 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
Guaranteed Cash (Base pay + guaranteed allowances – levy) Differential (%)	55	87	86	84	82	90	74
Total Cash Differential (%)	62	87	86	84	82	90	74

- In Ireland, the differential is significantly higher than in other EU countries
  - For guaranteed cash (base pay plus allowances, less levy) Assistant Secretaries in Ireland are remunerated at 55% of Secretaries General, while the average is 85% across the comparator group.
  - For total cash (Guaranteed cash plus performance award) Assistant Secretaries in Ireland are remunerated at 62% of the Secretaries General while the average is 84% across the comparator group.

## Observations – Assistant Secretary Remuneration

<b>With no adjustments for cost of living</b>	<b>% of average</b>
Irish base salary plus allowances compared to average of selected countries	103%
Irish guaranteed cash (base salary + allowances - levy) compared to average of selected countries	93%
Irish total cash (including performance award) compared to average of selected countries	99%
Irish total cash (excluding performance award) compared to average of selected countries	89%
<b>When adjusted for cost of living differences</b>	
Irish base salary plus allowances compared to selected EU countries	87%
Irish guaranteed cash (base salary + allowances - levy) compared to average of selected countries	78%
Irish total cash (including performance award) compared to average of selected countries	83%
Irish total cash (excluding performance award) compared to average of selected countries	75%

## Pensions – Comparison of selected countries

	Ireland	Austria	Belgium	Finland	Germany	Netherlands	UK
<b>Scheme</b>	Civil service scheme	Civil service scheme	Civil service scheme	State scheme only	Civil service scheme	State + civil service schemes	State + civil service schemes
<b>Maximum Benefit (as % of Final Salary)</b>	50%, plus lump sum of 1.5 X final salary	80%	75%	For those retiring in 2010: Age 63: 61.5% Age 68: 84%	75% (71.7% from 2009)	70%	50%, plus lump sum of 1.5 X final salary
<b>Employee Contributions</b>	Pension levy + 1.5% for Spouses and Childrens pension	10.5% - 12.5%, depending on date of birth	8.5%	4.3%	0%	5.8%	1.5%
<b>Normal Retirement Age</b>	60	62	60	65	65 (or 63 after 35 years service)	65	60
<b>Post-retirement increases</b>	Salaries of serving staff	Industry pay increases. From 2009, based on COL.	Blend of COL / Salaries of serving staff	Blend of COL / General wages	Salaries of serving staff	Blend of COL / Salaries of serving staff	COL

*Note: In Ireland the pensions levy represents 10.2% of salary at the mid point of the Assistant Secretaries scale*

## Appendix 1 - Methodology

### *Irish Private Sector Data*

- The private sector comparisons are based on the Mercer Remuneration database for 2009. This includes a broad range of local companies and subsidiaries of multinational organisations across industry. The employee numbers range from 20 to over 5,000.
- The comparison is based on roles of a similar size and scope using the Mercer points factor evaluation methodology (IPE). Each element of compensation is valued separately using our consistent valuation methodology.
- For the private sector, the data is based on 2009 figures. The annual bonus represents the payment in 2009 in respect of 2008 performance.
- For the private sector data, the lower quartile, median and upper quartile are reported for each element of remuneration. As each element is valued separately the totals do not necessarily add up.

### *EU Public Sector 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 (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.

## Appendix 1 – Methodology Continued

- 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:
  - Austria: base salary includes two additional months pay. These additional months receive favourable tax treatment. To account for this, a total of 14.7 months has been used.
  - Belgium: base salary includes an additional 1.92 months pay (13<sup>th</sup> month and vacation pay). The allowance figure reflects a travel allowance.
  - Finland: base salary includes holiday pay.
  - Germany: base pay includes a 13<sup>th</sup> month and year-end bonus of 2.5% of annual pay. Allowances include a family allowance (assuming 2 children) and a ministry allowance.
  - Netherlands: base pay includes 8% holiday pay and a year-end payment of 8.3% plus €1,200. Note that the year-end payment has been increasing since 2007 so that it represents a 13<sup>th</sup> month of pay (it is 5.4% for 2009 but will increase to 8.3% in 2010). Allowances include a child care allowance (assumed 1 child in full-time care and 1 in after school care) and a commuting allowance (assumed €100 per month). 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 June 2009. One Euro is equal to 0.852 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
<b>Austria</b>	The Federal Chancellors Office Department III/2 www.jusline.at www.ris.bka.gv.at
<b>Belgium</b>	www.fedweb.belgium.be
<b>Finland</b>	www.suomi.fi www.vm.fi www.bit.hut.fi
<b>Germany</b>	www.besoldungstabelle.de www.beamtenbesoldung.org www.oeffentlicher-dienst.info
<b>Ireland</b>	www.finance.gov.ie
<b>Netherlands</b>	www.minbzk.nl
<b>UK</b>	www.ome.uk.com
<b>General</b>	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 (EU 27 = 100)
Austria	82	105
Belgium	87	111
Finland	98	125
Germany	82	104
Ireland	100	127
Netherlands	81	103
Germany	78	99

*Based on Eurostat Purchasing Power Parity, updated 30/06/2009*

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