

EXPLANATORY NOTES

1. **Basis of figures**

The figures shown for receipts and expenditure in 2003 are projected outturns and reflect present knowledge. They are subject to revision when the end-year figures become available. Fully audited details for 2003 will be available in the *2003 Finance Accounts* and *2003 Appropriation Accounts* to be published not later than 30 September 2004.

2. **Revenue**

The estimate of revenue for 2004 is based on the tax provisions in force at present.

3. **Expenditure**

The Estimates for Public Services (Abridged Version) & Summary Public Capital Programme 2004 (AEV), was published on 13 November 2003. The 2004 figures in this document are the same as those published in the AEV. The 2003 forecast outturn figures are consistent with those published in the AEV and are provisional figures as notified by Departments and Offices. End-year issues figures will be available early in January 2004.

4. **Appropriations-in-Aid**

Voted expenditures are shown net of Appropriations-in-Aid. These are receipts which, with the agreement of the Dáil, may be retained by a Department or Office to offset expenditure instead of being paid into the Exchequer Account of the Central Fund. Details of gross voted expenditure by Departments are contained in the 2004 AEV.

5. **PRSI**

PRSI contributions are paid into the Social Insurance Fund (SIF) and do not form part of the revenues paid into the Central Fund as is explained in the following paragraphs.

Disbursements by the Department of Social and Family Affairs fall under three main categories, namely,

- (a) payments out of the SIF which are related to the entitlement of persons under their insurance/PRSI/benefit record, e.g. unemployment benefit, contributory pensions, etc.,
- (b) payments to persons who have ceased to qualify or have never qualified under their insurance/PRSI/benefit record to be paid out of the SIF, e.g. unemployment assistance, non-contributory pensions, etc. and
- (c) other payments such as grants to organisations.

The amount voted by the Dáil to the Department of Social and Family Affairs is composed of payments falling under (b) and (c) above, together with any sum needed by the SIF if the resources of the Fund are less than the total sum to be paid out of the Fund in any year.

In the past, an Exchequer contribution has been required to meet the shortfall on the SIF. However, no Exchequer contribution has been required since 1997.

6. Prefunding of future pensions liabilities

The National Pensions Reserve Fund Act 2000 provides for prefunding part of the future cost of social welfare and public service pensions, and the setting aside of 1% of estimated Gross National Product (GNP) annually for this purpose (see Note 7 on page F. 9).

7. Oireachtas Commission

The Houses of the Oireachtas and European Parliament was funded from a dedicated vote (no. 2) in 2003. In accordance with the Houses of the Oireachtas Commission Act 2003, these expenses will be paid directly from the Central Fund from 1 January 2004 (see Note 3 on page F. 7 and Note 4 on page F. 8).

8. General Government Balance

The projected outturn for the General Government Balance (GGB) in 2003 is for a deficit of €605 million or 0.4% of GDP. The pre-Budget GGB forecast for 2004, consistent with the Exchequer Balance published in this paper, is for a deficit of €1,038 million or 0.7% of GDP (see page F. 5).

The General Government is a wider definition of Government because in addition to the Exchequer it includes the Local Authorities, the Social Insurance Fund, Non-Commercial Semi-state bodies and the National Pensions Reserve Fund. Thus, a payment from the Exchequer to the National Pensions Reserve Fund does not alter the General Government Balance.

The determination of which items qualify under the GGB rules (ESA 95) is a matter for settlement by Eurostat (the Statistical Office of the European Union).