



Bille an Choimisiúin um Ard-Phá agus Saibhreas, 2014
High Pay and Wealth Commission Bill 2014

Mar a tionscnaíodh

As initiated



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ACT REFERRED TO

Statistics Act 1993 (No. 21)



BILLE AN CHOIMISIÚIN UM ARD-PHÁ AGUS SAIBHREAS, 2014
HIGH PAY AND WEALTH COMMISSION BILL 2014

Bill

entitled

An Act to provide for the establishment of a High Pay and Wealth Commission on a permanent basis within the Central Statistics Office; to carry out research on levels of pay and wealth in the State; to inform public policy in order to promote a fair income distribution across society and to provide for related matters. 5

Be it enacted by the Oireachtas as follows:

PART 1 10

PRELIMINARY AND GENERAL

Short title and commencement

1. (1) This Act may be cited as the High Pay and Wealth Commission Act 2014.
- (2) This Act comes into operation 6 months after its passing.

Interpretation 15

2. In this Act—

“Central Statistics Office” means the Central Statistics Office established under section 8 of the Statistics Act 1993;

“Commission” means the High Pay and Wealth Commission established under *section 4*;

“high pay” means gross income from employment or other sources in excess of €80,000; 20

“Household Finance and Consumption Survey” means the survey of that name which is conducted throughout the Eurozone by the Household Finance and Consumption Network;

“Household Finance and Consumption Network” means the network of that name which was established in 2006 by the Governing Council of the European Central Bank; 25

“large public or private company” means—

- (a) a company with a turnover in excess of €10 million, and
- (b) which has in excess of 50 employees;

“Minister” means the Minister for Finance;

“remuneration” includes salary, bonus, employer pension contributions and other financial benefits payable;

“wealth” refers to net wealth which is the value of an individual’s gross stock of assets after the deduction of all debts and liabilities.

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Regulations

3. (1) The Minister may make regulations prescribing any matter which is referred to in this Act as prescribed or to be prescribed or in relation to any matter referred to in this Act as the subject of regulations or for the purposes of enabling any provision of this Act to have full effect. 10
- (2) Every regulation or order made by the Minister shall be laid before each House of the Oireachtas as soon as practicable after they are made and, if a resolution annulling the regulation, order or rules is passed by either House within the next subsequent 21 days on which that House has sat after the regulation, order or rules are laid before it, the regulation, order or rules shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder. 15
- (3) Regulations made under this Act may—
- (a) include such consequential, incidental, transitional or supplementary provisions as may be considered by the Minister to be necessary or appropriate for the purposes of this Act, and 20
- (b) apply, either generally or by reference, to a specified class or classes of persons or category or categories of licensees or to any other matter as may be considered by the Minister to be appropriate.

PART 2

ESTABLISHMENT OF COMMISSION

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Establishment of Commission

4. (1) Within 6 months of the commencement of this Act, the Minister shall direct the Director of the Central Statistics Office to establish a body to be known as the High Pay and Wealth Commission as an executive office of the Central Statistics Office.
- (2) The Minister may make regulations so as to facilitate the making of the necessary arrangements to give full effect to *subsection (1)*. 30

Functions of the Commission

5. (1) The functions of the Commission shall be the collection, compilation, extraction and dissemination of information relating to the levels of remuneration and wealth in the State. 35
- (2) Without prejudice to the generality of *subsection (1)*, the functions of the Commission shall be—

- (a) to engage in research on a national basis to—
 - (i) determine the distribution of income, including high pay, and wealth in the State,
 - (ii) determine fair levels of remuneration across the public and private sector,
 - (iii) engage in research on best practice models of income distribution, 5
 - (iv) issue recommendations about legislative or other policy measures to be deployed so as to ensure a fair distribution of income and wealth across society,
 - (b) to determine an appropriate structure for the reform of high levels of pay and other remuneration and to make recommendations about the manner in which the awarding of executive high pay and other remuneration may be reformed, 10
 - (c) to inform public policy in determining rates and measures of taxation,
 - (d) to carry out an equality audit of each budget prepared by the Minister for Finance and on that basis to make key recommendations about the manner in which a fair distribution of wealth and income in Irish society can be ensured when making budgetary adjustments, 15
 - (e) to stand as a member of the European Household Finance and Consumption Network and to carry out the Household Finance and Consumption Survey on behalf of the Central Statistics Office.
- (3) In forming key policy documents and recommendations, the Commission may have regard to best practices in other economies. 20

Special functions – executive pay

6. Without prejudice to the generality of *section 5(1)*, the special functions of the Commission shall be—
- (a) to engage in a specific research project and publish regular reports thereon on the subject of executive remuneration in large public and private companies to be known as the “Executive Pay Project”, 25
 - (b) to examine the levels of income and other benefits awarded to executive members of staff in large public and private companies and to make recommendations on legislative or regulatory measures to be taken so as to ensure that shareholders of large public and private companies have a direct input in forming and approving the pay policies of such companies, 30
 - (c) to make recommendations about methods that may be employed to bring about a fair level of executive remuneration within large public and private companies having regard to the average industrial wage, 35
 - (d) to determine an acceptable pay ratio of executives in large public and private companies by reference to the average industrial wage and the minimum wage and to present policy options on the introduction of pay ratios to the Minister,
 - (e) to devise policy and legislative proposals in respect of bonuses payable to executives in large public and private companies pursuant, which may include 40

proposals—

- (i) on the introduction of caps, and
 - (ii) in respect of the time frames and targets within which bonuses may be earned and paid,
- (f) to examine the impact and the influence of high pay in— 5
- (i) private companies,
 - (ii) public companies, and
 - (iii) the public sector,
- on the development of pay ratios between persons receiving the highest and lowest levels of remuneration and other benefits across the economy, 10
- (g) to examine the impact of unequal remuneration on the economy and society and to make recommendations to the Government on measures directed at addressing these impacts,
- (h) to specify the information (including ratios) on executive remuneration which each large public and private company shall be required to set out in its annual report, and 15
- (i) to establish and maintain a publicly accessible database which contains anonymised information on the levels of executive remuneration payable in large public and private companies.

Additional functions 20

7. (1) The Minister may, after consultation with the Commission and also the Central Statistics Office, by order—
- (a) confer on the Commission, such additional functions connected with the functions for the time being of the Commission or the services or activities that the Commission is authorised to provide or carry on, and 25
 - (b) make such provision as he or she considers necessary or expedient in relation to matters ancillary to or arising out of the conferral on the Commission of functions under this section or the performance by the Commission of functions so conferred.
- (2) Every order made by the Minister under this section shall be laid before each House of the Oireachtas as soon as may be after it is made and shall not take effect until a resolution affirming the order is passed by either such House. 30

PART 3

COMPOSITION, STAFFING AND REPORTING

Composition of the Commission 35

8. (1) The Commission shall consist of 9 members, one of whom shall be elected as

Chairperson.

- (2) (a) 6 members shall be appointed following a publicly advertised competition.
- (b) The following persons shall be *ex officio* members of the Commission:
- (i) the Chairperson of the Joint Oireachtas Committee on Finance;
 - (ii) the Secretary General of the Department of Finance; and 5
 - (iii) a current or former member of the Supreme Court.
- (3) Of the appointed members—
- (a) no more than 3 may be economists drawn from a university or public policy advocacy group, and
 - (b) at least 3 of whom shall be persons who, in the Minister's opinion, have 10 experience in a field of expertise relevant to the Commission's functions.
- (4) The Minister shall, in so far as is practicable, ensure an equitable balance between the numbers of members of the Commission who are women and the number of them who are men.
- (5) An appointed member of the Commission shall not be eligible for re-appointment if 15 he or she has served 2 consecutive terms as a member of the Commission.
- (6) The Minister, when appointing an ordinary member of the Commission, shall fix such member's period of membership which shall not exceed 3 years and, subject to this section, membership shall be on such terms as the Minister determines.
- (7) A member of the Commission may at any time resign his or her membership by letter 20 addressed to the Minister and the resignation shall take effect from the date of receipt of the letter by the Minister.
- (8) A member of the Commission shall be paid out of funds at the disposal of the Central Statistics Office—
- (a) such remuneration (if any) as may be fixed from time to time by the Minister 25 with the agreement of the Minister for Public Expenditure and Reform, and
 - (b) such amounts in respect of expenses (if any) as the Minister with the agreement of the Minister for Public Expenditure and Reform may determine.
- (9) A member of the Commission may at any time be removed from membership of the Commission by the Minister if, in the Minister's opinion, the member has become 30 incapable through ill-health of performing his or her functions, or has committed stated misbehaviour, or his or her removal appears to the Minister to be necessary for the effective performance by the Commission of its functions.
- (10) (a) If a member of the Commission dies, resigns, becomes disqualified or is removed from office, the Minister may appoint a person to be a member of the 35 Commission to fill the casual vacancy so occasioned and the person so appointed shall be appointed in the same manner as the member of the Commission who occasioned the casual vacancy.
- (b) Subject to the other provisions of this section, a person appointed to be a member of the Commission by virtue of *paragraph (a)* shall hold office for the remainder 40

of the term of office of the member who occasioned the casual vacancy he or she is appointed to fill and shall be eligible for re-appointment for one further consecutive term as a member of the Commission.

(c) The Commission may act notwithstanding a vacancy amongst its members.

(11) A member of the Commission shall cease to hold and shall be disqualified from holding office if he or she— 5

(a) is adjudged bankrupt,

(b) makes a composition or arrangement with creditors,

(c) is sentenced by a court of competent jurisdiction to a term of imprisonment, or

(d) is disqualified or restricted from being a director of any company. 10

Staff of the Commission

9. (1) Subject to the consent of the Minister, the Commission may, from time to time—

(a) appoint following an open competition, or

(b) second for a fixed duration from within the public service,

such and so many persons to serve as the secretariat to the Commission. 15

(2) Persons appointed under *subsection (1)* shall be employees of the Central Statistics Office and shall be subject to the same terms and conditions as other employees of the Central Statistics Office.

Annual Report

10. (1) As soon as may be after the end of each calendar year, but not later than 6 months thereafter, the Commission shall make a report to the Minister of its activities during that year and the Minister shall cause copies of such report to be laid before each House of the Oireachtas. 20

(2) Each report under *subsection (1)* shall include information in such form and regarding such matters as the Minister may direct. 25

PART 4

AMENDMENT OF ACT OF 1993

Conferral of additional function on Central Statistics Office

11. Section 10 of the Statistics Act 1993 is amended by inserting the following subsection after subsection (3): 30

“(4) The Office shall have authority to establish a High Pay and Wealth Commission to collect, compile, extract and disseminate for statistical purposes information relating to the levels of remuneration and wealth in the State and to advise the Government on policy and legislative measures in respect of the levels of remuneration and wealth in the 35

State.”.

Bille an Choimisiúin um Ard-Phá agus
Saibhreas, 2014

BILLE

(mar a tionscnaíodh)

dá ngairtear

Acht do dhéanamh socrú maidir le Coimisiún um Ard-Phá agus Saibhreas a bhunú ar bhonn buan laistigh den Phríomh-Oifig Staidrimh; do dhéanamh taighde ar leibhéil pá agus saibhris sa Stát; do chur bonn eolais ar fáil le haghaidh an bheartais phoiblí d'fhonn dáileadh cothrom ioncaim sa tsochaí trí chéile a chur chun cinn agus do dhéanamh socrú i dtaobh nithe gaolmhara.

*An Teachta Tomás P. Ó Bracháin a thug isteach,
6 Bealtaine, 2014*

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*Introduced by Deputy Thomas P. Broughan,
6th May, 2014*

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