

I. Objective of the Bulletin

The purpose of this bulletin is to monitor on a monthly basis the evolution of the salaries, wages and related benefits paid by the Treasury¹ to all public sector employees working for the Central Government. Salaries and wages and related benefits represented 32 percent of total primary spending in January February 2011 and are its largest component.

They include basic salaries, indemnities (mainly for families and transportation), allowances (mainly health, education, maternity and sickness), contribution to the Civil Servants Cooperatives as well contributions to other mutual funds providing health insurance for specific categories of civil servants (mainly Judges, Religious Judges, Employees of Parliament).

It should be noted that these payments exclude retirement and end of service indemnities as well as salaries, wages and benefits paid by public institutions.

Table 1. Breakdown of Article 13: Salaries, Wages and Related Items

(LL billion)	Basic Salaries		Indemnities 5/		Allowances 6/		Other 7/		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb
Military Personnel	246	296	12	12	61	115	0	1	319	425
• Army	165	200	8	8	38	92	0	0	212	300
• Internal Security Forces 1/	65	76	3	3	19	20	0	0	87	99
• General Security Forces	12	16	0	0	3	3	0	1	16	20
• State Security Forces 2/	4	5	0	0	1	1	0	0	5	6
Education Personnel	89	102	9	10	0	0	0	0	98	112
Civil Personnel 3/, of which:	59	49	9	12	0	0	14	5	83	66
• Employees Cooperative							9	0	9	0
Customs Salaries 4/									6	6
Total	394	447	30	34	61	116	15	6	506	610

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

1/ Includes allowances payments made to Internal Security Forces from Guarantees account,

2/ Includes allowances payments made to State Security Forces from Guarantees account,

3/ Includes salaries payments made to Ministry of Public Health from Guarantees account.

4/ Includes salaries and wages and indemnities payment from guarantees account but excludes payments for allowances which are made from Customs Cashiers and can only be reclassified once Customs has sent the supporting document to the Directorate General of Finance. Battlefield indemnity in February 2011 paid to Customs officers were included as well.

5/ Includes payments for family, transportation, overtime as well as various indemnities.

6/ Includes payments for maternity and sickness, marriage, birth, death, hospital, education, medical and various social allowances.

7/ Other includes payments for bonuses, contributions to various public sector mutual funds and contribution of the State as an employer for the National Social Security Fund.

¹ The payments are made from the budgetary allocations classified under Article 13 of the budget economic classification.

II. Salaries and wages and related benefits in January-February 2011 in comparison with January-February 2010

Payments in January-February 2011 reached LL610 billion, increasing by LL 104 billion compared to January-February 2010, where the same item stood at LL 506 billion, as a result of the following factors:

⊗ a LL53 billion increase in basic salaries from LL394 billion in January-February 2010 to LL447 billion in January-February 2011 mainly driven by higher payments to the military and security forces (+LL50 billion) and the education personnel (+LL13 billion) which was partially offset by a decrease in payments to civil personnel (-LL10 billion),

⊗ a LL 4 billion increase in indemnities from LL30 billion in January-February 2010 to LL34 billion in January-February 2011 as a result of higher payments to civil (+LL3 billion) and education (+LL1 billion) personnel and ,

⊗ a LL55 billion increase in allowances from LL61 billion in January-February 2010 to LL116 billion in January-February 2011 mainly as a result of higher payments to the Army (+LL54 billion).

The overall increase registered in January-February 2011 was partially offset by a LL9 billion decrease in “other²” as no transfers were made to Civil Servants Cooperative in January-February 2011.

² Other includes (i) payments for bonuses, (ii) State contributions to the Civil Servants Cooperatives, (iii) State contributions to the Mutual Funds covering Member of Parliaments, employees of the Lebanese Parliament, judges, judges’ aides and Islamic tribunal judges and (iv) State contributions (as an employer) to the National Social Security Fund public sector employees that are not covered by the Civil Servant Cooperative and the Mutual Funds.