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Civil Service Salary System in Spain and Recent Reform Trends

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Introduction

During the 20th century, most Public Administrations in the world became more professional and stable. In the beginning public employees had unstable and often arbitrary links with the Public Administration. In developed countries, from then until now, these relations have become more stable, under well defined rules so that the remuneration of Civil Servants is less, or not at all, dependent on arbitrary decisions. Nevertheless, there are still countries in which the contracting and dismissal of public employees are linked with the changes of the political parties in the Government.

Nowadays, Public Administrations in developed countries use two main civil service systems: career (or corps) and job position-based systems. Spain is mainly a career system. In position-based systems the remuneration is linked to the job position, whereas in career systems it depends on the corps to which the civil servants belong. Indeed, these two systems do not usually exist in pure form in any country. There has been a progressive approximation between them and, consequently, the actual Public Administration (PA) remuneration system, in developed countries, contains elements coming from both systems. Nowadays, Spanish Civil Servants are in a mixed system between the Job Positions System and the Corps System.

The Spanish Public Administration employees belong to two groups, those that are under an administrative relationship and those that are under a civil labour contract. The first group constitutes the main core of the Spanish Public Administration. They occupy the key administrative and executive functions. Beside them, there are the employees under labour contract. They are usually fewer in number and carry out secondary type of functions and jobs.

1. Brief Historical Background of the Spanish Civil Service Remuneration System

1918: The structuring of the Spanish civil service system began in the 19th century, patterned after France. In 1918 the Maura¹ Statute for the Civil Service was promulgated, whose aim was to abolish the existing “spoils system” based on political patronage and to replace it by a new one that aimed to create a more stable and professional civil service based on merit. The main characteristics of this new system were:

- a) The PA civil employees were structured in corps, internally classified in hierarchical Categories;
- b) The PA functions were represented by the functions assigned to the Corps;
- c) The Job Positions were linked with the Categories of the Corps;
- d) The remunerations were linked with the Categories;
- e) There was an administrative career for the members of each Corps;
- f) Each Ministry managed the Corps that were ascribed to it

1964: The next step was the Civil Service Law of 1964 under the Franco dictatorship’s so called technocratic period, where the governments were made up mainly of technocrats most of them educated abroad in Europe and the United States. This Law introduced several important changes:

- a) The classification of each employee in Categories inside each Corps disappeared;
- b) The structured administrative career disappeared;
- c) A new basic technique of Job classification was introduced;
- d) Beside the corps remuneration components, some supplements appeared. One of them was linked to the Job level (level supplement or grade), while others were linked to the prolongation of working hours (special commitment), or to the Corps, but with an internal distribution made by the Corp leadership, generally with a hierarchical approach;

¹ Named after the Prime Minister who proposed it, Mr. Antonio Maura.

- e) The job positions were linked, in practice, to the Corps the employee belonged to.

1984: The current civil service remuneration system established by Law 30 of 2 August 1984: In August 1984 the Government approved Law 30/84 which introduced a deep change in the National Civil Service, including the remuneration system. This Law is still in force. The law literally set up the goal of “*changing on a realistic basis, the administrative career problem, allowing the Government to reform deeply the national Civil Service, and its Corps, permitting the suppression, unification or modification of the Corps, and giving instructions to make the necessary studies to classify the job, upon which basis the administrative career will be articulated. The law modifies the remuneration system, giving priority to those remunerations that are linked to the occupation of the job positions*”. The main characteristics of the new system are:

- a) The Law is fully applicable to the National Civil Service and to the civil employees of the Military Administration.
- b) An important part of this Law (called “basic regulation”) applies to the Civil Service of the Autonomous Regions and Local Municipalities.
- c) All Civil Services job positions are structured in 30 levels or grades (art.21).
- d) The number and type of job positions of each administrative unit will be those that appear on its own Job Positions List (RTP), as laid out in art. 15.
- e) An identity between the Corps and the functions of the Civil Service no longer exists. Nevertheless “*the Job Positions List (RPT) may determine the Corps of Civil Servants that may perform those functions*”
- f) Civil servants are classified into five groups (A, B, C, D and E), depending on the level of academic studies that are required to enter the Corps.

2. The Remuneration System of Law 30/84: Remuneration Components

Article 23 lists and describes the remuneration components and classifies them into basic salary and supplements.

2.1 Basic Remunerations

The basic remunerations, which are the same for all the Civil Services (National, Autonomous, Local) for each Group in which the Corps are classified” (art.24.) are:

- a) The “**sueldo**”: It is the amount assigned to each one of the five groups in the annual budget law (A, B, C, D, E). Law 30/84 restricted the “*sueldo*” remuneration range saying that “*the sueldo of the civil servants of the A Group shall not exceed more than three times the sueldo of civil servants of E Group.*”
- b) The **triennial (seniority)** is the same amount, for the Civil Servants of each Group, to be paid for each three years of service on the Corps. The Budget Law sets up these amounts every year.
- c) The **extraordinary** payments are paid twice a year. They are paid in June and December. Each **extraordinary payment** consists of a monthly “*sueldo*” plus a monthly seniority triennial. Since 2004, the amount of these so called “extraordinary payments” has gradually increased with the aim of equalizing its amount to the usual monthly payment (full pay)

2.2 Supplements

The supplements for a civil servant are the level supplement (grade), job position supplement, performance-related pay supplement and the so called “Gratifications” (allowances). In certain cases there is a transitory supplement, which was designed to compensate those that were Civil Servants before the enactment of Law

30/84 if their total take-home pay was to be reduced as a consequence of the introduction of the new salary scheme, but that is very rare nowadays.

a) The **level supplement or grade** is related to the level assigned to the job occupied by the Civil Servant. Every year the Budget Law sets up the amount linked to every one of the 30 levels in which the jobs are classified. However, there are no longer any Jobs classified under level 10. The law recognises the competence of the Governments to set up the interval of job levels that can be linked to each Corps. (art 21.1.

b). Nowadays these level intervals are: Group A from 22 to 30; Group B from 18 to 26; Group C from 14 to 22; Group D from 12 to 18 and Group E from 10 to 14.

b) The **job supplement** (also called specific job supplement) rewards the particular conditions of some job positions paying attention to its special technical difficulty, dedication, responsibility, incompatibility, risks or laborious difficulty. The job positions cannot have more than one specific supplement. The Specific supplement is a remuneration component that shall be linked with concrete conditions. This remuneration component made it necessary to adopt a Job Evaluation System to assign values and then remuneration to each Job position. The Spanish civil service adopted the so-called HAY system that takes into account three main factors: competencies (abilities, skills), problem solving (creativity) and responsibility which are necessary to perform each job position. Nowadays, the assignation of specific supplements to the new job positions that are created, does not need a particular job evaluation exercise because the specific supplements for the new jobs are set by comparison with other job positions that can be considered similar in job content and workload.

c) The **performance-related pay** (called productivity supplement) aims to reward the special performance, the extraordinary activity and the interest or initiative with which a civil Servant performs his duties. The General Director of each unit sets the amount that every Civil Servant deserves inside the global budget envelope for this type of supplement. When performance pay is given to a civil servant it will become public knowledge within the ministry or unit and also be made known to the representatives of the civil servants unions. The Performance Pay component is variable in nature and aims to be a tool which the Director can use to financially reward the individual performance of those civil servants who deserve it due to good productivity, extraordinary activity or initiative. The principle of transparency regarding the individual amounts must be highlighted. The yearly Budget law often reminds us that “*the performance evaluation must be done based on objective circumstances directly linked with the job performance*”. However, it is not illegal -- and is regularly done-- to give this component following criteria adopted by consensus inside each General Directorate or even linearly.

d) The **gratificaciones** are payments or bonuses given for extraordinary services carried out as overtime or out of the regular working hours. They can be neither stable in terms of its amount nor periodic. The law is strict in restricting this payment to these special circumstances.

2.3 The norms for the application of the retroactive system under Law 30/84

Law 30/84 establishes that the “Job Positions List” (RPT) will include, at least for each one of the Job Positions, the denomination and basic characteristics, the salary supplements and the necessary requisites for its implementation. The 1985 Budget Law stated that the government was competent to set up the initial Specific supplements for each Job position. In practice, it was done by the Ministry of Economy and Finances after negotiating with the rest of ministries.

For the first time, the 1986 Budget Law used the expression “Catalogues of Job Positions”. Its difference from the Job Positions List (RTP) was that they contained only the denomination, level, specific and group of each Job Position, without adding the other requisites. This Budget Law maintained the principle that the initial approval of Catalogues was a Government competence but that the modifications of the existing Catalogues would be done by the Ministry of Economy and Finances.

The 1987 Budget Law suppressed the Catalogues and came back again to the RPT. It set up a shared competence of the Ministries of Economy and Finances and Public Administration for the RPT modifications, but keeping as Government competence the initial approval of the new RPT, following a joint proposal by both Departments.

Royal Decree 469/87 of 3 April 1987 created the Remunerations Inter-Ministerial Committee (CIR) to coordinate the decisions regarding RPT modifications that are shared by the Ministries of Economy & Finances and Public Administrations. The Decree also, created the Executive Committee of the Remunerations Interdepartmental Committee (CECIR) as the executive body jointly led by the Ministries of Economy & Finances and Public Administrations.

The CECIR is the body that, in practice, takes most of the regular decisions on modifications of the Job Positions List (RTP). These modifications have an impact on the organisation but they principally affect remuneration, because they can (and often do) modify the salary supplements (level and specific supplements) of the RTP.

The unions participate in the negotiating of the modifications of level and specific supplements (following the Agreements between Public Administration and Unions). These negotiations are usually done at the sectoral or departmental level, before sending the RPT modification proposal to the CECIR. In the case of unsolvable disagreement both sides can send the negotiating issue to a higher level than the sectoral or ministry one (the Remuneration and Employment Negotiating Table that is a specialised section of the General Negotiating Table). The law sets up the composition of the Remuneration and Employment Negotiating Table and the General Negotiating Table are the key negotiating tools channelling the relationships between Public Administration and Unions.

2.4 Remuneration Guarantees

The present remuneration system, basically established by Law 30/84, has several remuneration guarantees that have experienced changes from its initial writing in 1984. Today, every civil servant has a part of the total remuneration legally guaranteed. This is made up of the following salary components: on the one hand, the basic remuneration [*sueldo*, triennial (seniority) and extraordinary pay] corresponding to the Corps he belongs to, his seniority, and extraordinary pay. On the other, the remuneration corresponding to the level and specific supplements of the job he executes, because each Civil Servant has the right to occupy a job position from the RTP (Article 21.2 c of Law 30/84 establishes that “while the Civil Servant waits to be assigned to a vacancy... he will be provisionally assigned to a Job position”).

Also the original version of Law 30/84 established an additional guarantee “*each civil servant has a Personal Level corresponding to any of the levels in which the Job Positions are classified*” (art. 21.1.c). Even though it may be transitory, if he is not ascribed to a definitive Job position he “*will have the right to receive the Level Complement corresponding to a Job two levels down his Personal Level*” (art. 21.2.c)

The original version of Law also indirectly gave a remuneration guarantee on the specific supplement because it set up that “no Civil Servant can be ascribed to a Job position more than two levels below his personal level” (art.21.2.a already revoked by law 33/88). This guarantee was very important because the specific supplement has a correlation to the level of the job position. So giving a guarantee to the level of the job position to be occupied has the effect of, indirectly, guaranteeing the specific supplement.

Law 23/88 of 28th July 1988, modifying Law 30/84 made important modifications in the remuneration guarantees. On one hand, it improved the guarantees regarding the level supplement by saying that “civil servants, whatever be the job position they have occupied, will have the right to perceive at least the level supplement corresponding to their personal level or grade”(art.21.2.a). Remember that the former version of Law 30/84 only guaranteed a level supplement two levels lower than the personal level of a civil servant.

On the other hand Law 23/88 reduced the guarantees regarding the specific supplement. Indeed, its art. 21.2.b says that, after the removal from a job position, if a civil servant does not find another job position through the usual procedure, i.e., applying for vacancies (merit-based competition), “*he will be ascribed temporarily to a Job Position corresponding to their Corps*”. This norm made it possible to assign a civil servant to the lowest job position, corresponding to the interval level of their corps. At the time, the minimum level for each group was: 20 for the A, 16 for the B, 11 for the C, 9 for the D and 7 for the E. As a result, this guarantee is now lower than the one established by the Law 30/84 which did not allow assigning a removed civil servant to a job position lower than two levels below his personal level.

On 10 March 1995 Royal Decree 364/95, modified this norm and went back to the guarantees that existed under Law 30/84 regarding the minimum level of the job position to which civil servants may be appointed: "In case of removal of a civil servant from the job position won by merit competition, he will be assigned to a job position corresponding to his corps, in the same town, and not lower than more than two levels to his personal level, while he finds another vacancy of a higher level"(Art. 50.5. Royal Decree 364/95). A similar guarantee was secured by Art.58.2 of this Royal Decree in the case of removal from job positions acceded through open competition. In conclusion, the basic guarantee, regarding the level supplement, is at least to receive the remuneration corresponding to the personal level of the civil servant.

Regarding the specific supplement, the actual guarantee is indirect because the Civil Servants have the right to earn the specific supplement of the job position that they actually occupy but they cannot be appointed, in case of removal, to a job position more than two levels lower that the personal level a civil servant belongs to.

Civil Servants that are politically appointed to higher administrative positions have the same guarantee framework and they also have the right to receive the level supplement of the Directors General, if they have occupied those higher administrative positions at least for two years. (art. 33.2 Law 31/90.)

3. Remuneration Structure: Quantitative Data.

3.1 Components

The Civil Servants total remuneration is the result of the addition of the following components:

- "Sueldo"
- Triennial (Seniority)
- Extraordinary pay (paid in June and December)
- Level supplement
- Specific supplement
- Performance Pay supplement
- "Gratificaciones"

For itemised value in euros for 2007 see Tables 1, 2, 3 and 4 for each component.

3.1.1 *Sueldo*

It is classified in 5 Groups -- A, B, C, D and E. Its annual amount fluctuates from 13.354 for the A group to 6.306 for the E group. That implies a remuneration compression ratio of 2,1:1 (within enforcement of Law 30/84 the remuneration compression ratio for this component could not be higher than 3:1)

3.1.2 Triennial (Seniority)

For every three year service civil servants receive a yearly payment that fluctuates from 598 euros a year for the A group to 180 euros/ year for the E Group. It implies a remuneration compression ratio of 3,3:1.

3.1.3 Extraordinary pay

There are two months extra pays (June & December). The amount for each of these two months is an amount which is the sum of the monthly *sueldo* plus the triennial. Nowadays, extraordinary pay has been raised by an amount of one level supplement plus a fraction of the monthly specific supplement.

3.1.4 Level supplement

It corresponds to the job position occupied by the civil servant unless the civil servant occupies a position lower than his personal level. In this last case the civil servant will receive the personal level amount. There are Levels from 1 to 30 but nowadays there are no job positions inferior to Level 10. So, in practice, there are just 21 types of Level supplements that fluctuate from 11.726 for Level 30 to 2.604 for Level 10. That implies a remuneration compression ratio of 4,5:1.

3.1.5 Specific supplement

It is an amount linked to the characteristics of “technical difficulty, dedication, responsibility, incompatibility, danger or laborious difficulty”. Its yearly amounts fluctuate, in normal cases, from 27.735 euros to 1.007 euros. That implies a remuneration compression ratio of 27,5: 1. Indeed, the Specific supplement of the lowest job position is not less than 1.406 euros a year, so the real remuneration compression ratio is 19,7:1

3.1.6 Performance-related pay supplement

Its amount is variable. Its amount, and also the criteria used, may be different from one ministry to another. In general it fluctuates from 12.000 euros a year for a level 30 to 1000-1200 euros a year for a job position of group E.

3.1.7 “Gratificaciones”

There are remunerations for extraordinary services carried out outside of normal working hours. They are very exceptional and rare, so no figure can be suggested for its yearly amount.

3.2 Examples of remuneration for some job positions

As an example, eight typical Job Positions from the actual Spanish Public Administration have been chosen:

- Deputy General Director with a seniority of 24 years (8 triennials)
- Head of Area, level 28, with a seniority of 18 years (6 triennials)
- Head de Service level 26 Group A, with a seniority of 6 years (2 triennials)
- Head de Section level 24 Group B, with a seniority of 12 years (4 triennials)
- Head Section level 20 Group C, with a seniority of 12 years (4 triennials)
- Head Group level 18 Group C, with a seniority of 6 years (2 triennials)
- Civil Service Clerk level 14 Group D, with a seniority of 9 years (3 triennials)
- Janitor level 10 Group E, with a seniority of 9 years (3 triennials)

3.3 Conclusions

3.3.1 Compression Ratio

The remuneration compression ratio between the maximum (75.245,86 euros a year) and minimum (13.618,06 euros a year) remuneration of typical job positions is of 5,5:1.

3.3.2 Job & personal remuneration components

The remuneration components linked to the person are those that depend on the personal characteristics, regardless of the way in which the job is performed. They are linked with the academic diploma and seniority. They consist of the *sueldo* (linked to the group) and the seniority (linked to the group and length of service). As the job position goes up in the hierarchical ladder, the personal component becomes less important and the job position component becomes more important. In the examples above, for the position

of Deputy Director-General , the job position supplement is 68,4% of the total remuneration whereas for the lowest position (level 10, group E) is only 38,2%. It means that for the lowest positions the remunerations are more linked to the person than to the type of Job done.

3.3.3 Fixed and variable remuneration components

The fixed remuneration components are those that reward the Civil Servant independently of his performance. In the Spanish Public Administration the only variable remuneration component is the performance-related supplement. In practice, its amount remains quite stable for each civil servant unless he changes from one job position to another. Nevertheless, the leadership can choose to award a bigger or smaller amount, or even to remove it fully if the leader considers that the civil servant has a bad performance level. The variable component usually represents a 9 to 10% of the total remuneration. In the case of the example above in Table 3, the variable remuneration component fluctuates from 16%, in the case of the Deputy General Director to 8,8% in the case of group E level 10.

3.3.4 Remuneration Guarantees

The Spanish remuneration system has a remuneration guarantee that protects civil servants from the risk of being removed from his job position. The guarantee system protects in the following cases of removal:

1. Removal from job positions which were acceded through discretionary appointment among civil servants: politically appointed and job positions in levels 30 and 29.
2. Suppression of job positions which the civil servant has acceded to through merit-based competition. This case is not very frequent because in most circumstances, the job positions do not disappear but are transformed, their denomination is changed, their functions modified but keep being occupied by the civil servants who were already performing them.
3. Removal from a job position, due to the Civil Servant's insufficient performance. This case is very rare and it also requires quite a complex procedure with Union participation.

In each of these three cases, the essential remuneration guarantee for the Civil Servant is his right to be appointed or transferred to another job position that cannot be lower in two levels than his personal level. There he will earn the remuneration components corresponding to this new job position, except for the level supplement that is replaced by his personal level supplement.

Example: The removal of a Deputy General Director, level 30 CE 27735.44 euros, that had consolidated personal level 30, will require his appointment to a job position of at least level 28 ($30-2=28$), with its specific supplement that probably would be 14853,58 and with the performance pay, usual in this new position. He would also keep receiving the level 30 (personal level) instead of the Level 28 of his new job position. A removed Deputy General Director will pass from a total remuneration of 75,245 € to a total remuneration of 56,186, that is, he will have a guarantee of 74.7% of his former remuneration. In the case of the Job Position, No 28, the remuneration guarantee will be higher because he will pass from a total remuneration of 53,063 euros to a new one of 45,205 that is 85.2% of his former remuneration.