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CHARACTERISTICS OF PAY SYSTEM WITHIN THE LOCAL PUBLIC ADMINISTRATION. PERSPECTIVES

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ABSTRACT

This paper is an attempt to present the main provisions of the Law no.153 / 2017 on the remuneration of personnel within local public administration and to identify and highlight the effects of adopting this normative act on their wages. The topic was also addressed by the fact that the staff within the local public authorities represent the essential component that should be motivated, in the absence of which the public administration would not exist.

Keywords:

Pay system, remuneration ,public administration, public managers and executives.

Classification JEL: J51, J52, J 53

I.1. Methodology of research

The research consisted of collecting data from the payment states of Town Hall of Bunești, Suceava County, and their graphical centralization over the years, identifying also the allowances of the mayor and the deputy mayor for the purpose of identifying the maximum reference threshold taken by the decisional board at local level in determining the basic salaries of senior management and executives to better understand how wage entitlements are set for 2018.

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I.2.Current regulation on the remuneration of public authorities.Criteria for determining it.

The specialized doctrine classifies the remuneration modalities in the pay by negotiation (it is characteristic not only for companies but also for other categories of employers) and by special law such as the single salary law for the budgetary system [2].

The system of public administration in Romania is in a period of change, modernization, and what is required in a modern administration is the reform of human resources, legal framework, management processes in order to provide efficient public services to its citizens [1].

The labour code [5], in article 162 paragraph 3 that refers to the salary system of the staff of public authorities and institutions financed entirely by the state is established by law. "It is characteristic of this category of staff the existence of funds specifically disbursed from the state budget, the budget state social security, local budget, or special salary funds"[6].

Thus, the salary method for public servants is set by law, so that the salary is not and cannot be negotiated. The salary form of civil servants - whether they are at central or local level - is, as a rule, time-based pay.

At present, the normative act regulating the salaries of civil servants is the Law no.153 / 2017 of June 28, 2017, regarding the salary of the staff paid from public funds, which repealed the Law no. 284/2010. Art. 31 of Law no. 188/1999 [4] on the Civil Servants' Statute which also regulates the salaries of civil servants, listing the main elements of their salary. "They have the right to a salary for their work consisting of: the basic salary, the amount corresponding to seniority and others".However, we note that according to the Law no.153 / 2017 in the basic salary is included the grade related to the seniority. Article 4 stipulates that through collective labour contracts / collective labour agreements and individual labour contracts cannot be negotiated salaries or other wage or salary rights in cash or in kind that exceeds or contravenes the provisions of the present law.According to art.3 of the framework law, the management of the salary system for the staff in the public institutions and authorities is ensured by each authorizing officer so as to fit the amounts approved for this purpose into its own budget.

I.3 Basic salary, pay rise, bonuses and other additional pay applicable to staff from the local public administration according to the Law no.153 / 2017

According to the Law no.153 / 2017 of June 28, 2017, regarding the salaries of the personnel paid out of public funds "for public servants and contract staff within occupational family called Administration, from the own apparatus of county councils, town halls and local councils and the public services subordinated to them, the basic salaries shall be established by a decision of the local council, of the county council or of the General Council of the Municipality of Bucharest, as the case may be, following the consultation of the union representative organization at the level of the unit or, as the case may be, of the representatives of the employees.

Thus, the establishment of monthly salaries is done by the authorizing officer, in compliance with the provisions of art. 25 of the Law specifying "The amount of bonuses, compensations, pay rises, bonuses, awards and allowances, including food and holiday allowances, cumulated on the total budget for each authorizing officer may not exceed 30% of the amount of basic salaries, function pay / salary, grade pay / wage salary of the occupied degree, grades and command pay / salary balances, bonuses and monthly indemnities, as the case may be.

The level of the salary incomes shall be determined without exceeding the level of the monthly indemnity of the position of deputy mayor or, as the case may be, of the monthly allowance of the vice-president of the county council, or, as the case may be, of the deputy mayor of Bucharest, corresponding to the level of organization: commune, town, city, sectors of Bucharest, the General City Hall of Bucharest, with the exception of the statutory increases of up to 50% of the basic salaries [if the people are part of the project teams, with the personnel expenditures approved in the revenues and expenses budgets ".

I.3.1. Basic salary

The basic salary for the managerial positions is set by the head of the public institution in relation to the responsibility, complexity and impact of the decisions imposed by the duties corresponding to the performed activity. In the basic salary for the senior positions for both I and II degree, the grading associated with the seniority degree is included at the maximum.

"Public servants who occupy another post by moving within another compartment or by transfer shall benefit from the basic salary corresponding

to the civil service they occupy by changing the service relationship. Senior public servants and senior civil servants who request to be transferred to a senior management or, where appropriate, vacant posts for which they meet the specific conditions, shall be entitled to the basic salary for the public office in which they are to be appointed. Public servants who, as a result of the reorganization, hold lower-ranking public positions or, as the case may be, executives are entitled to the basic salary for the public office in which they will be appointed. "

"Public servants who graduate from undergraduate studies in the field of activity of the public authority or institution, who belong to public positions with a level of lower education, are appointed, according to the law, in a public executive function which at least ensures them the basic salary of the grade corresponding to the graduated studies, retaining its grading at the date of the promotion. Redistributed public servants are entitled to the basic salary for the public office in which they will be redistributed. "

The individual salary of the public administrator is determined by the mayor, the president of the county council or the mayor of Bucharest, according to the law, depending on the type of administrative-territorial unit and the attributions set in the job description, between the limits, as follows: the minimum limit is the basic salary level of the secretary of the administrative-territorial unit, and the maximum limit is the indemnity of the deputy mayor, the deputy chairman of the county council or the deputy mayor of Bucharest, as the case may be.

Public servants, who under the law, temporarily exercise a public office or a public office corresponding to the category of high public servants, are entitled to the basic salary corresponding to the public office they exercise temporarily.

Article 7 of the Wage Law lists some of the individual rights granted under the conditions and limits stipulated in the normative acts by which they are regulated: "Public servants have the following rights provided by other normative acts, the amount of which is borne by the state budget, the local budget or, as the case may be, the social insurance budget ":

a) "Allowances set for additional activities in which they are appointed to participate in committees organized according to the law";

b) "Other non-salary rights established under the law".

I.3.2. Benefits granted

- The Wage Law also stipulates that "public servants benefit from **an increase for dangerous or harmful conditions of up to 15% of the basic salary** corresponding to the time worked. The workplaces, the categories of staff, the specific size of the benefit and the conditions for granting shall be determined by the chief credit officer, in consultation with the trade unions or, where appropriate, the representatives of public servants on the basis of the assessment reports or, as the case may be, expertise issued by the competent authorities. "
- **Article 21 of the same law provides for the additional work that** "the additional work done over the normal work schedule, as well as the work done on the legal holidays, the weekly rest and other days when according to the law they do not work, is compensated by paid overtime within the next 60 calendar days after it is made. If compensation is not possible, it will be paid in the following 60 days with a 75% increase in the basic salary / function salary, the severance allowance corresponding to the overtime worked. "

I.3.3.Premiums and bonuses

Public servants enjoy premiums and other wage rights, in accordance with the legal provisions. Their remuneration is determined in accordance with the provisions of the law on the establishment of the unitary remuneration system for public servants.

"Credit Authorizing Officers can award monthly prizes of excellence to staff who have been directly involved in achieving outstanding results in the work of public institutions or authorities, within 5% of basic salary / function salary / senior position salary, bonuses and monthly allowances for the staff provided in the organizational chart, provided they are included in the budgets approved by the budget, "according to the provisions of the unitary wage law.

These "may be awarded to the staff who made or participated directly in the achievement of these outstanding results during the year, attended special activities, performed exceptional works or had a volume of activity that significantly exceeded the optimum volume activity, in relation

to the complexity of the tasks, taking into account the evaluation of the criteria provided by the law. Unused amounts may be used in the coming months within the same budget year. "

"Individual monthly excellence awards cannot exceed two national minimum gross salaries guaranteed on a yearly basis and are set by the authorizing officers within the limits of the approved budget amounts for this purpose." And as a novelty, as of December 1, 2001, credit counsellors are obligatorily granting a holiday allowance. Today they are granted in the form of holiday vouchers set for 2018 at the amount of 1450 lei taxable.

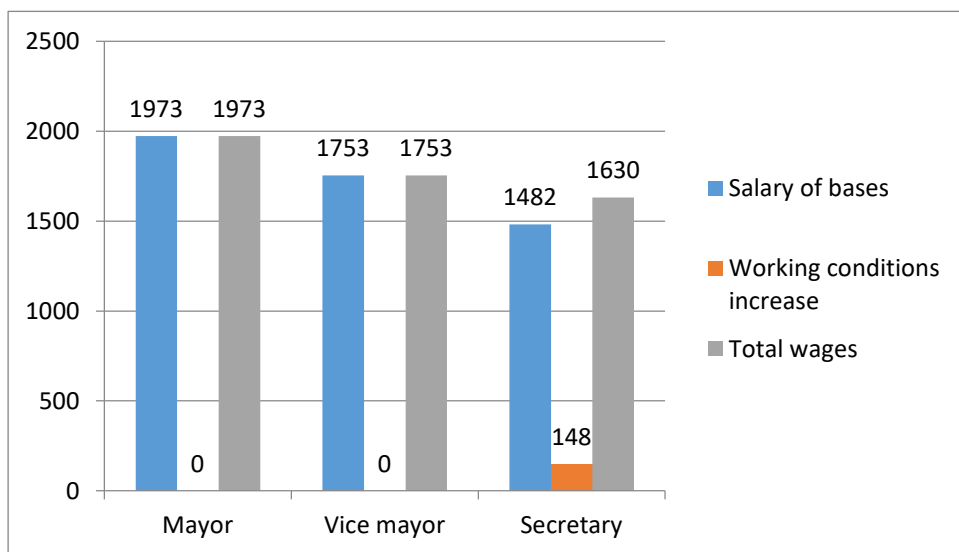
I.4.The development of the salaries of public managers and executives of the mayor of Bunesti-Suceava county, October 2010-April 2018

A. Functions of public dignity and public management positions

Analysing Table no. 1, we note that in October 2010 the secretary had a basic salary of 1482 lei, benefiting also from a salary increase of 148 lei, adding up a total gross salary of 1630 lei with 343 lei less than the mayor's allowance of the commune and 123 lei to that of the deputy mayor.

In December 2016 the secretary's salary was 1786 lei less than the mayor's allowance. There was an increase in the salary of the secretary with only 400 lei within 6 years (Table no.2).

Table no. 1.Dignitaries 'allowance and basic salary, bonuses and gross salary of the secretary, for October 2010



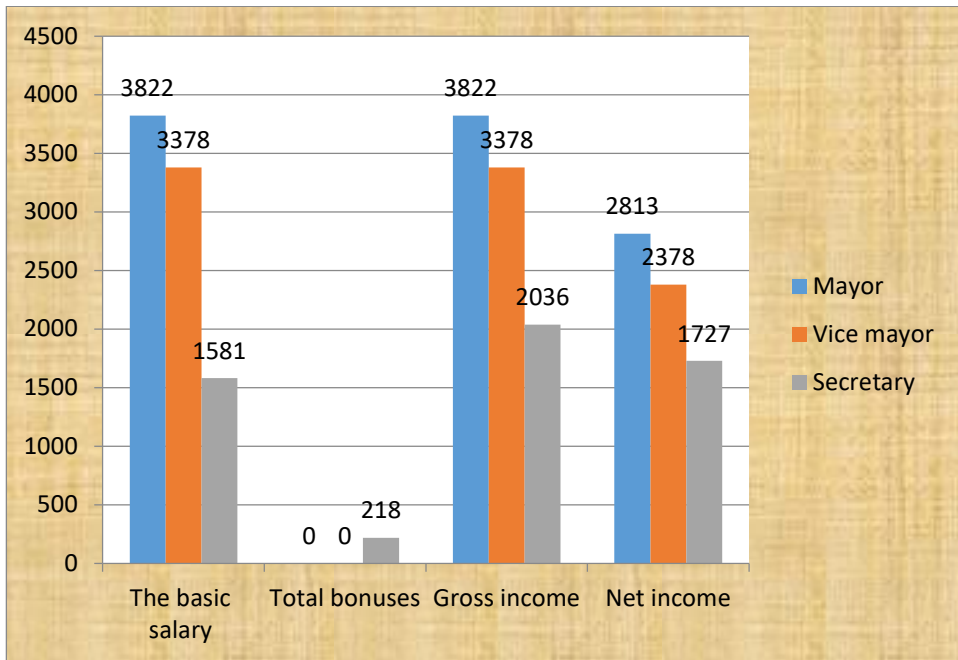


Table no. 2. Dignitaries 'allowance and basic salary, benefits and gross salary of the secretary, for December 2016

In April 2018, the gross salary of mayor of Bunești reached 7,600 lei to a net of 5,417 lei. In the period 2010-April 2018, the mayor's salary has some oscillations, but compared to 2010, the allowance has tripled.

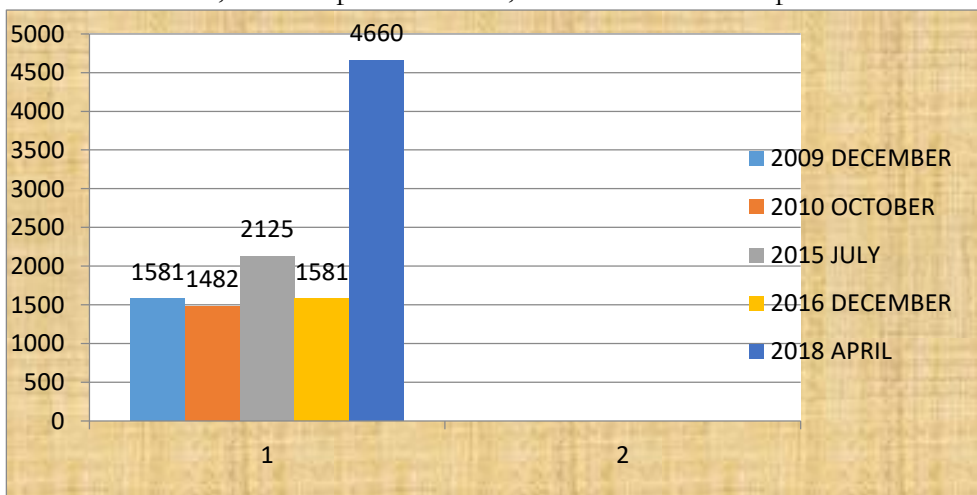


Table no.3. Basic salary for the secretary, between 2009-April 2018

Table no.3 Shows the evolution of the basic salary of the mayor's secretary from Bunești in April 2018- a gross salary of 4660 lei, 2624 lei more than in 2016.

B.Executives

We will analyse below the basic salaries, the increase in working conditions and the gross salary made by the execution officers between October 2010 and April 2018. We will consider the salaries of the Superior Inspector I, of three senior officials III, Assistant Inspector I, Legal Advisor and Superior Advisor I (Diagram 4). Except for the legal counsel and senior counsellor I, everyone benefited from an increase in working conditions in October 2010, with the legal advisor being the debutant.

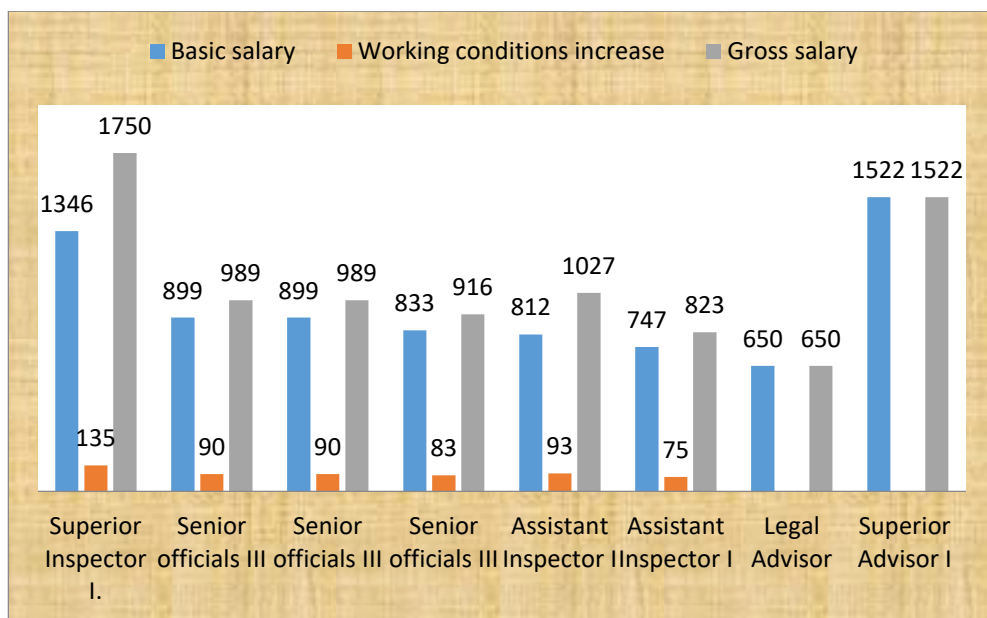


Table no. 4. Basic salary, the amount of bonuses and the gross salary of executives,

October 2010-April 2018

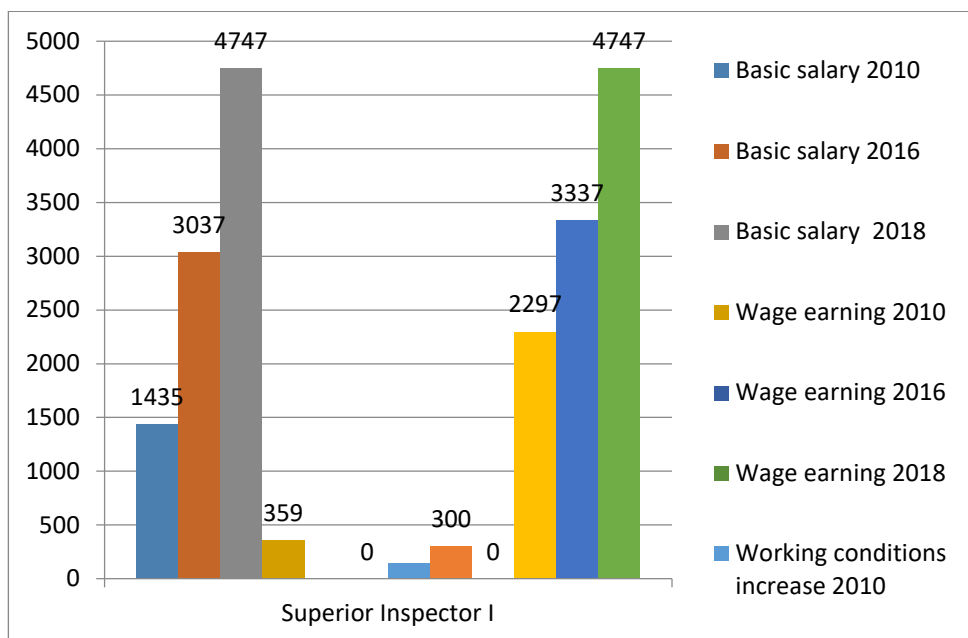


Table no. 5. Basic salary, bonuses and gross salary for superior inspector 1. October 2010-April 2018

If we look at the time evolution of a superior inspector 1 salary, we find it started in October 2010 from a basic salary of 1435 lei, in December 2016 it was 3,037 lei, reaching to 4,747 lei in April 2018, a growth on the extremities three times. The seniority is 144 lei in 2010 and 300 lei in 2016, and in 2018 this bonus was included in the basic salary under the law. (Table no.5).

I.5.Perspectives on pay system in the public sector

In October 2018, the Minister of Labour said that with the increase in the country's gross national salary as of 1 January 2019, the salaries of the public servants would also increase, with 25% of the difference to the grid set in 2022. For example, a counsellor is having 2000 lei salary, and in the grid of 2022 is set a salary of 6000 lei, an increase of 1000 lei [7].

All these official statements converge to the idea of future growth of the salaries of civil servants within the local public authorities by 25%. If this percentage were to be applied, for example, the secretary of the commune in our example would have a basic salary of 5825 lei, 1165 lei more than in 2018 and the inspector 1 would benefit from a basic salary increased by 25% in the amount of 5953 lei as gross salary with 1186.75 lei higher than in 2018.

I.6. Conclusions and proposals

As a result of the analysis of the provisions of the Law on the salaries of the personnel paid from public funds from 2017, we conclude that in 2018 it has brought with it exponential increases of the salaries of civil servants within the local public administration authorities, generally because Law no.153 / 2017 [3] provides their establishment by the Local Council. Thus we assist to an irregular rewarding of the salaries of civil servants in the local public administration, which has already led to some discussions on discrimination between categories of civil servants in different territorial administrative units. It is important that the authorizing officers are cautious in establishing very high wages, a careful analysis of the budget of income and expenditure for each year is needed in order not to get into the situation of impossibility of payment.

In any case, even in the context of amending the provisions of the Labour Code by GEO no. 79/2018 regarding the payment of the gross minimum salary in a differentiated way, we should witness an increase in salaries of civil servants within the local public administration authorities, which at the time of applying this minimally differentiated salary do not reach this threshold.

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