



Salaries & Remuneration
Commission
Rewarding productivity

PRESS RELEASE

Fourth Quarter Wage Bill Bulletin (April to June 2023)

Wage Bill Trends

Tuesday, 5 September 2023, Nairobi: The Salaries and Remuneration Commission (SRC) has released the Fourth Quarter Wage Bill Bulletin for the period, April to June 2023. A summary is presented hereby below:

Requests from public institutions

SRC received 70 requests from public institutions with an estimated cost implication of Ksh 2,224,003,139, out of which Ksh 1,679,242,286 worth of requests were approved by SRC. The requests received included; 54 on allowances and benefits, 11 on collective bargaining agreements, 3 on salary reviews, and 2 on bonus.

The total value of advice for FY 2022/2023 amounted to Ksh 4,273,782,553, representing 52.26 per cent of the value of requests received. This was against cumulative requests by public service institutions worth Ksh 8,178,654,178, which was higher than the FY 2021/2022 value of Ksh 2.695 billion.

Approved advice as a share of requests received in FY 2021/2022 and 2022/2023

Financial Year	Quarter	Value of Requests by Public Service Institutions (Ksh)	Value of Requests Approved by SRC (Ksh)
2021/2022	Q1	680,881,013	194,163,863
	Q2	18,090,117,624	1,281,498,142
	Q3	60,179,320	350,000
	Q4	1,714,092,733	1,219,243,312
Total for FY 2021/2022		20,545,270,690	2,695,255,317
2022/2023	Q1	2,099,836,579	1,611,950,575
	Q2	614,372,374	571,157,938
	Q3	3,240,442,086	411,431,754
	Q4	2,224,003,139	1,679,242,286
Total for FY 2022/2023		8,178,654,178	4,273,782,553

Source: SRC 2023, Internal data

Personnel Emolument (PE) for the County Government

In most counties, the analysis of expenditure on wage bill (Personnel Emoluments - PE) as a proportion of the total revenue, shows that the ratio has remained above the PFM Regulations, 2015, recommended ratio of 35 per cent over the recent years. The annual PE to total revenue ratio for county governments, which is 43.56 and 38.9 per cent for FY 2021/2022 and 2022/2023, respectively, was above the threshold.

The total expenditure for county governments in the fourth quarter of FY 2022/2023 is projected to increase at similar rates as that of the fourth quarter of FY 2021/2022. This will yield a total expenditure for county governments of Ksh 129.38 billion, representing a 3.3 per cent decline from the fourth quarter of FY 2021/2022.

PE for the national government

In the fourth quarter of FY 2022/2023, the expenditure on PE in the national government is projected at Ksh 152.33 billion, representing a growth of 10.62 per cent, compared to Ksh 137.78 billion in a similar period in FY 2021/2022.

The total expenditure is projected to increase from Ksh 405.82 billion in the third quarter to Ksh 577,87 billion in the fourth quarter. Although the total PE is expected to grow in absolute terms, PE as a share of the total revenue is projected to reduce from 23 per cent in the third quarter to 16 per cent in the fourth quarter of FY 2022/2023. The PE, as a share of the total revenue ratio, has remained within the recommended threshold of 35 per cent, as set by PFM Act, 2012, and PFM Regulations, 2015.

Public wage bill trends

The wage bill to nominal GDP ratio is projected to reduce marginally to 7.58 per cent in FY 2022/2023, and 7.19 per cent in FY 2023/24. This ratio is projected to decline towards 7.5 per cent, which is the average for developing countries, and 7 per cent, which is the internationally desirable level.

The wage bill to ordinary revenue ratio is projected to reduce to 43.54 per cent in FY 2022/2023 and 40.45 per cent in FY 2023/2024, while the wage bill to total revenue ratio is projected to reduce to 34.6 per cent in FY 2022/23 and 32.15 per cent in FY 2023/2024. The total wage bill is projected to continue growing, but at a rate of 6.36 per cent in FY 2022/2023, and 6.37 per cent in FY 2023/2024.

Wage payment in the public service

Wage payments in the public service grew by 4.8 per cent in FY 2021/2022, and projected to grow further by 6.5 per cent to Ksh 1,100 billion in FY 2022/2023.

Wage payments in the public service

	2018/19 Ksh billion	2019/20 Ksh billion	2020/21 Ksh billion	2021/22 Ksh billion	2022/23* Ksh billion	2023/24* Ksh billion
National Government	187.30	208.24	256.53	280.70	298.55	317.56
TSC	313.6	324.5	331.1	349.9	372.14	395.85
CFS - Salaries and Wages	4.19	2.62	2.60	3.18	3.38	3.60
County governments	163.39	171.83	176.03	190.11	202.20	215.07
Extra-budgetary and social services (State corporations - public universities)	159.65	144.29	183.94	162.63	172.97	183.99
State corporations (commercial corporations - financial and non-financial corporations)	42.00	66.34	37.58	48.64	51.73	55.03
Total	870.14	917.81	987.78	1,035.15	1,100.97	1,171.09

Source: KNBS Statistical Abstracts (Various), KNBS Economic Survey (Various), OCOB Reports (Various), National Treasury *Projected

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About the Salaries and Remuneration Commission

The Salaries and Remuneration Commission (SRC) is established under Chapter 12, Article 230 of the Constitution of Kenya, 2010. Its mandate is to: a) Set and regularly review the remuneration and benefits of all State officers; and, b) Advise the national and county governments on the remuneration and benefits of all other public officers.

To get the Fourth Quarter Wage Bill Bulletin (April-June 2023), or other past quarterly wage bill bulletins, visit SRC website: <https://src.go.ke/resource-centre/reports/>

For more information, contact:

Anthony Mwangi; mobile: +254 739 579 176, Email: ammwangi@src.go.ke

For more information visit: www.src.go.ke