



Salaries & Remuneration
Commission
Rewarding productivity

PRESS RELEASE

Third Quarter Wage Bill Bulletin (January to March 2024)

Wage Bill Trends

Friday, 14 June 2024, Nairobi: The Salaries and Remuneration Commission (SRC) has released the Third Quarter Wage Bill Bulletin for the period, January to March 2024, for the financial year (FY) 2023/2024. An extract is presented hereby below:

Requests from public institutions *(See bulletin with detailed table)*

During the period under review, SRC approved requests worth Ksh 4,709.44 million, representing 96 per cent of the total requests from public service institutions, which amounted to Ksh 4,903.41 million. Of the 56 requests received by SRC from public institutions, 8 requests accounting for 14 per cent were on Collective Bargaining Agreements (CBAs), 40 requests accounting for 72 per cent were on allowances and benefits, 5 on bonus requests accounting for 9 per cent, and 3 on salary reviews accounting to 5 per cent.

Cumulatively, the total value of SRC advice for quarters one, two, and three of FY 2023/2024 amounted to Ksh 29,681.10 million against total requests of Ksh 46,550.88 million, representing 63.8 per cent of the value of requests received and determined. Compared to the same period in FY 2022/2023, the value of both the requests submitted and approved grew almost five times. In FY 2022/2023, the total value of requests received was Ksh 8,178.65 million, out of which requests totaling Ksh 4,273.16 million (52.3%) were approved by SRC.

Personnel Emolument for the county government *(See bulletin with detailed table)*

Expenditure on Personnel Emoluments (PE) is projected to increase to Ksh 44.83 billion in the third quarter of FY 2023/2024, compared to Ksh 41.08 billion spent in the same period in FY 2022/2023. This is attributed to SRC Advice on remuneration payable to healthcare professionals under internship program.

Weighed against the 35 per cent threshold set by the Public Finance Management (PFM) Regulations, 2015, the PE expenditure for the third quarter of FY 2023/2024, as a proportion of the total revenue, is projected to increase to 58.7 per cent from 53.1 per cent realized in the second quarter of FY 2023/2024. This is still above the PFM threshold.

Personnel Emoluments for the national government *(See bulletin with detailed table)*

In the third quarter of FY 2023/2024, the expenditure on PE in the national government is projected at Ksh 198.51 billion, compared to Ksh 148.07 billion in the similar period in FY 2022/2023. The total expenditure by the national government is projected to decline from Ksh 545.90 billion in the second quarter to Ksh 374.68 billion in the third quarter of FY 2023/2024, resulting in an increase in the PE to total expenditure ratio of 53 per cent.

The PE for the national government (excluding the national security sector and CFS), as a share of the total revenue ratio, is projected to increase from 27.4 per cent in the second quarter to 37.4 per cent in the third quarter of FY 2023/2024. This is above the recommended threshold of 35 per cent, as set by PFM Act, 2012, and PFM Regulations, 2015.

Cumulatively, the total value of SRC advice for quarters one, two, and three of FY 2023/2024 amounted to Ksh 29,681.10 million against total requests of Ksh 46,550.88 million, representing 63.8 per cent of the value of requests received and determined.

Compared to the same period in FY 2022/2023, the value of both the requests submitted and approved grew almost five times. In FY 2022/2023, the total value of requests received was Ksh 8,178.65 million, out of which requests totaling Ksh 4,273.16 million (52.3%) were approved by SRC.

Public wage bill trends *(See bulletin with detailed table)*

The wage bill to nominal GDP ratio is projected to reduce marginally from 7.58 per cent in FY 2022/2023 to 7.19 per cent in FY 2023/2024. Further, the wage bill to ordinary revenue ratio is projected to take a trajectory from 46.64 per cent in FY 2022/2023 to 39.22 per cent in FY 2023/2024. The total wage bill is projected to continue growing, but at a slightly slower rate of 6.37 per cent in FY 2023/2024.

The wage bill to ordinary revenue ratio declined from 54.77 per cent in FY 2020/2021 to 47.06 per cent in FY 2021/2022 and is projected to reduce further to 46.64 per cent in FY 2022/2023 and 39.22 per cent in FY 2023/2024.

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 Third Quarter Wage Bill Bulletin (January-March 2024), or other past quarterly wage bill bulletins, visit the SRC website: <https://src.go.ke/resource-centre/reports/>

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