



Regulation of the Salary payment system for senior Public Sector business executives

- Maximum basic pay to be set at €105,000 a year.

2 March 2012. The Council of Ministers has approved a Royal Decree, after it was passed by the Council of State, regulating the salary payment system for senior executives and directors in the public enterprise sector and other entities. The aim of the regulation is to ensure maximum austerity and effectiveness in their action and maximum efficiency in the running of the public sector.

Included alongside these two principles is the principle of transparency, a minimum requirement both for the entities and their senior executives and directors. This ensures the application of the criteria of good governance met by listed companies and financial institutions.

When setting salaries, public entities will be classified into three groups, taking into account criteria such as business volume or turnover, number of employees, whether or not public funding is required, investment volume or the characteristics of the sector in which the activity is undertaken.

This establishes that the Board of Directors of entities in group 1 may be comprised of no more than fifteen members; twelve for entities in group 2 and nine members for entities included in group 3.

Basic and supplementary payments

The salary payments to be set in commercial or senior executive contracts will be classified as basic and supplementary. Annual basic pay may not exceed €105,000 for the directors of entities in group 1; €80,000 for those in group 2 and €55,000 for those in group 3.

In addition to the basic salary they will receive a supplement and, if deemed appropriate, a variable supplement, aimed at encouraging best management practices and taking into account the specific characteristics of the roles undertaken.

RETRIBUCIÓN BÁSICA MÁXIMA	
ENTIDADES DEL GRUPO 1:	105.000 euros
ENTIDADES DEL GRUPO 2:	80.000 euros
ENTIDADES DEL GRUPO 3:	55.000 euros