

For information

Note to LegCo Panel on Public Service

Pension suspension policy for retired civil servants

PURPOSE

This paper updates members of the position regarding pension suspension arrangement for civil servants appointed as Principal Officials under the Accountability System.

BACKGROUND

2. At the Panel meeting held on 17 November 2003 when the paper ‘Pension suspension policy for retired civil servants’ was discussed, the Panel passed the following motion –

“That this Panel calls on the Government to review immediately the existing arrangement whereby civil servants appointed as Principal Officials under the Accountability System are still entitled to receive their pensions during their tenure as Principal Officials.”

and requested the Administration to provide a written response to the motion.

CURRENT POSITION

3. As explained at the Panel meeting, the arrangement not to suspend the monthly pension of retired civil servants who are appointed as Principal Officials aims at facilitating the implementation of the Accountability System so that civil servants who are considered suitable for appointment as Principal Officials by the Chief Executive (CE) will not be inhibited by the transfer arrangements in considering such appointments. The arrangement has taken into account the fact that the remuneration package of the Principal Officials does not contain any gratuity or retirement benefits

(other than the statutory minimum mandatory provident fund contribution) and that there is no security of tenure. This special arrangement is only applicable during the relevant persons' terms of office as Principal Officials. Once these persons step down from the position of Principal Officials and if they are re-appointed to the public service or appointed to gazetted subvented organisations, payment of their pension may be suspended in accordance with the normal rule. This arrangement was fully explained to the Legislative Council when the Accountability System was proposed. The majority of Members did not raise objection to the arrangement. The arrangement was implemented as part of the implementation of the Accountability System and was incorporated in the contracts of employment for ex-civil servant Principal Officials.

4. We consider that the justifications for this special arrangement are still valid. However, in view of the motion of the Panel, we have agreed to review the matter again. Since the CE may at his discretion order a review of the remuneration package of the Principal Officials from time to time and the powers to suspend pensions under the relevant pensions legislation rest with the CE, and in view of the fact that both the Secretary for the Civil Service (SCS) and Secretary for Constitutional Affairs (SCA) are retired civil servants and hence interested parties, the CE's office is best placed to handle the matter. Officers in the Civil Service Bureau and the Constitutional Affairs Bureau (but not SCS and SCA personally) will provide the necessary input. The subject is now under consideration by the CE's Office. We would report progress to the Panel as soon as possible.