

**CIVIL SERVICE PENSION
RESERVE FUND**

CIVIL SERVICE PENSION RESERVE FUND

Memorandum Note

On 25 January 1995, the Legislative Council established the Civil Service Pension Reserve Fund by Resolution to provide a reserve to meet payment of civil service pensions in the unlikely event that the Government cannot meet its liabilities for such payment from the General Revenue Account. The Resolution provides that—

- (a) the Fund shall be administered by the Financial Secretary who may delegate his power of administration to other public officers;
 - (b) there shall be credited to the Fund—
 - (i) such moneys as may be appropriated for the purpose, and
 - (ii) all sums received by way of interest or dividend on moneys invested under paragraph (e) below;
 - (c) the Financial Secretary may expend moneys from the Fund for the purpose of meeting the liabilities for payment of pensions, gratuities or other allowances under the Pensions Ordinance (Cap. 89), the Pension Benefits Ordinance (Cap. 99) or the Pension Benefits (Judicial Officers) Ordinance (Cap. 401) if, at the end of any month in a financial year, he believes that the balance in the General Revenue Account will be in deficit at the end of that financial year, having taken into account all anticipated receipts and payments;
 - (d) the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditures from the Fund; and
 - (e) the Financial Secretary in his discretion may authorise the investment in such manner as he may determine of any moneys held in the Fund at any time.
- 2 On 17 February 1995, the Finance Committee approved an appropriation of \$7 billion for payment to the Fund.
- 3 No payments are expected to be made in 2020–21 and 2021–22.
- 4 Receipts for 2020–21 and 2021–22 are estimated at \$1,503,437,000 and \$3,035 million respectively.

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(Receipts)

	Actual receipts 2019–20	Revised estimate 2020–21	Estimate 2021–22
	\$'000	\$'000	\$'000
Investment income	1,111,144	1,503,437	3,035,000*
Transfer from General Revenue	—	1,840,000	3,021,000
Total (Receipts).....	<u>1,111,144</u>	<u>3,343,437</u>	<u>6,056,000</u>

* The amount has included the investment income brought back from the Housing Reserve.

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Movement of the Account

	Actual				Revised Estimate	Estimate
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	27,129	31,899	35,129	38,315	39,426	42,770
Revenue	970	930	1,656	1,111	1,504	3,035
Expenditure	—	—	—	—	—	—
Surplus before Transfer from GRA	970	930	1,656	1,111	1,504	3,035
Transfer from GRA	3,800	2,300	1,530	—	1,840	3,021
Surplus after Transfer from GRA	4,770	3,230	3,186	1,111	3,344	6,056
Closing Balance	31,899	35,129	38,315	39,426	42,770	48,826

Revenue Analysis

	Actual				Revised Estimate	Estimate
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$m	\$m	\$m	\$m	\$m	\$m
Investment Income	970	930	1,656	1,111	1,504	3,035*
Total Revenue	970	930	1,656	1,111	1,504	3,035

* The amount has included the investment income brought back from the Housing Reserve.