

For discussion on
18 January 2021

Legislative Council Panel on Public Service

Update on Extension of the Service of Civil Servants

Purpose

This paper reports on the progress on the implementation of various measures for extending the service of civil servants.

Background

2. To better respond to the demographic challenges arising from an ageing population and a shrinking workforce, the Government has raised the retirement age of new recruits who joined the Government on or after 1 June 2015¹.

3. According to the population projection published by the Census and Statistics Department in September 2017, the size of the labour force of Hong Kong is expected to decline from the peak of 3.68 million in 2021 to 3.51 million in 2031, and hover around the low level of about 3.50 million until 2038 before declining further. To be more targeted in achieving the goal of expanding the labour force, the Government launched in July 2018 the option for serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 to choose to retire later (hereafter referred to as “the Option”).

4. Although the size of the labour force of Hong Kong remains high at present, bureaux/departments (B/Ds) require the service of retired/retiring civil servants beyond their retirement age from time to time in the light of their overall manpower situation, genuine and operational needs (including meeting the manpower needs arising from sudden surge in workload, e.g. the anti-epidemic work in the past year), as well as transfer of experience and succession planning, etc. As such, the Government has launched a package

¹ Age of 65 for civilian grades; 60 for disciplined services grades (regardless of ranks).

of flexible measures in order to extend the service of civil servants when needed. These measures include introducing a new Post-retirement Service Contract (PRSC) Scheme; revising the arrangements for processing applications for final extension of service of serving civil servants beyond retirement age; and adjusting the mechanism for further employment of serving civil servants beyond retirement age for a longer duration (hereafter referred to as “FE”).

5. We updated Members on the progress on the implementation of the above measures at the Panel meeting held on 20 April 2020, vide LC Paper No. CB(4)462/19-20(03).

Progress Update

PRSC Scheme

6. The PRSC Scheme seeks to enable B/Ds to pass on expertise/experience more comprehensively by tapping the pool of retired/retiring civil servants; flexibly adjust their staffing level and staff mix to meet their service needs; and ensure the quality, efficiency and cost-effectiveness of service delivery through flexible deployment of manpower resources.

7. As at 30 June 2020, B/Ds employed a total of about 4 200 full-time PRSC staff. Over 90% of these staff undertook ad hoc or time-limited tasks. Under the Scheme, all positions are at non-directorate level.

Final Extension of Service

8. All civil servants on permanent terms, whether on pension schemes or the Civil Service Provident Fund (CSPF) Scheme, may apply for final extension of service beyond retirement age for a maximum period of 120 days.

9. As at 24 August 2020 (i.e. four and a half years after the implementation of the revised arrangements), a total of about 12 400 applications were received by B/Ds, involving the majority of civil service grades (about 270). Among them, around 11 900 applications (96%) had been processed. Out of the processed applications, around 9 500 applications were approved (approval rate of 80%). The figures broken down by salary groups are set out at **Annex A**.

Adjusted FE Mechanism

10. The adjusted FE mechanism is applicable to civil servants who are serving on terms that attract retirement benefits under pension schemes or the CSPF Scheme. Under the adjusted FE mechanism, the relevant Head of Department or Head of Grade should determine whether there is a need for FE in a rank under his purview and the number of vacancies by taking into account relevant factors and objective data. If there is a need for FE, the grade/department will invite officers of the relevant rank who will reach retirement age within the specified period to apply. The period of FE may be up to a maximum period of five years.

11. So far, 131 FE selection exercises have been completed since the implementation of the adjusted FE mechanism on 1 June 2017, involving a total of 40 civil service grades. Out of some 4 900 applications, about 4 300 applications were approved (approval rate of 87%). The figures broken down by salary groups are set out at **Annex B**.

The Option

12. The Option was one of the measures announced by the Chief Executive in her 2017 Policy Address. The Government launched the Option in July 2018, allowing serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 (hereafter referred to as “Eligible Civil Servants”) to choose to retire at the age of 65 (for civilian grades) or 60 (for disciplined services grades, regardless of ranks). Eligible Civil Servants could decide whether or not to take the Option within the two-year option period which commenced on 17 September 2018.

13. The option period ended on 16 September 2020. Eligible Civil Servants’ response to the Option was satisfactory. Among some 56 000 Eligible Civil Servants (comprising about 35 000 civilian officers and 21 000 disciplined services officers), about 28 000 civilian officers and 19 000 disciplined services officers (i.e. a total of about 47 000 Eligible Civil Servants, or 83% of them) had taken the Option. The figures broken down by pay scales and salary groups are set out at **Annexes C and D** respectively.

14. After the option forms are processed by B/Ds, the Option taken by the Eligible Civil Servants will be implemented on 15 March 2021. In other words, Eligible Civil Servants who opt in will migrate to another CSPF Scale, i.e. the CSPF Scale applicable to those who joined the

Government on or after 1 June 2015, on that day.

15. We believe the fact that over 80% of the Eligible Civil Servants had chosen to take the Option could suitably tie in with the policy objective of expanding the labour force on one hand, and facilitate the long-term succession planning of departments on the other, enabling the continuous and stable development of the civil service. This will also help ensure that the Government can upkeep the quality of public service. In addition, if individual departments request other arrangements on extending the service of their civil service staff having regard to their specific manpower needs, the Civil Service Bureau will assess the operational needs of the departments concerned and the justifications provided, and consider whether there is still room for the departments concerned to deploy the existing measures for extension of service, or whether there is a genuine need to make special arrangements.

16. We will continue to closely monitor the implementation of the above measures, and render necessary assistance to B/Ds in deploying relevant tools to retain suitable officers beyond retirement age.

Advice Sought

17. Members are invited to note the contents of this paper.

**Civil Service Bureau
January 2021**

**Number of Applications for Final Extension of Service
by Salary Groups
(As at 24 August 2020)**

Salary group	Number of applications received	Number of applications processed and approved
Ranks with maximum pay point above Master Pay Scale Point (MPS Pt.) 33, or equivalent	2 152	1 771
Ranks with maximum pay point at or below MPS Pt. 33, or equivalent	10 275	7 700
Total	12 427	9 471

**Number of FE Applications
by Salary Groups
(As at 31 December 2020)**

Salary group	Number of completed FE selection exercises	Number of applications	Number of applications approved
Ranks with maximum pay point above MPS Pt. 33, or equivalent	67	363	302
Ranks with maximum pay point at or below MPS Pt. 33, or equivalent	64	4 557	3 996
Total	131	4 920	4 298

**Number of Eligible Civil Servants who had taken the Option
by Pay Scales
(As at 16 September 2020, i.e. Expiry of Option Period)**

Pay scale	Number of Eligible Civil Servants	Number of Eligible Civil Servants who had taken the Option
Directorate / Directorate (Legal) Pay Scale	168	88
Master Pay Scale	33 173	26 330
Pay scales related to disciplined services grades ²	20 987	18 648
Model Scale 1 Pay Scale	1 960	1 911
Total	56 288	46 977

² Pay scales related to disciplined services grades include General Disciplined Services (Commander) Pay Scale, General Disciplined Services (Officer) Pay Scale, General Disciplined Services (Rank and File) Pay Scale and Police Pay Scale.

**Number of Eligible Civil Servants who had taken the Option
by Salary Groups
(As at 16 September 2020, i.e. Expiry of Option Period)**

Salary group	Number of Eligible Civil Servants	Number of Eligible Civil Servants who had taken the Option
Ranks with maximum pay point above MPS Pt. 33, or equivalent	9 713	7 738
Ranks with maximum pay point at or below MPS Pt. 33, or equivalent	46 575	39 239
Total	56 288	46 977