Annex A

Major Feedback Received through the Consultation

The major views received on individual proposed initiatives are summarised below –

(a) <u>Higher retirement age for new recruits</u>

While the majority of respondents support the direction of raising the retirement age for new recruits, staff bodies from the disciplined services consider it unfair to require only new recruits of the disciplined services grades to undergo an annual suitability assessment after 57 up to the age limit of 60 when the proposed extension of retirement age by five years from 60 to 65 for new recruits of the civilian grades is unconditional.

(b) <u>Adjusted further employment mechanism</u>

The staff sides hold the view that all serving civil servants, in particular those who have been appointed on or after 1 June 2000 and on New Permanent Terms (NPT) of appointment (i.e. those on the Civil Service Provident Fund (CSPF) Scheme¹), should be given the option to extend (or not) their service beyond their current retirement age up to the retirement age to be set for new recruits without going through any selection by the management unanimously consider that applications for further employment should be subject to a fair and objective selection process by the management to avoid manpower

¹ The CSPF Scheme is the retirement benefits system for civil servants appointed on or after 1 June 2000 and on NPT of appointment. Under the CSPF Scheme, the Government's contribution, inclusive of mandatory and voluntary contributions, would increase progressively with years of service in accordance with a contribution scale. Disciplined services officers are provided with an additional Special Disciplined Services Contribution, currently at a rate of 2.5% of the basic salary, in recognition of their earlier retirement age vis-à-vis civilian staff. CSPF officers may withdraw the accrued benefits attributable to the Government's voluntary contribution upon leaving the Civil Service at the prescribed retirement age.

mismatch, and adverse impacts on promotion prospects of serving officers and healthy turnover for the Civil Service.

In addition, quite a number of respondents have expressed concerns about the selection process under the further employment mechanism. They consider that clear and suitable guidelines should be drawn up to ensure transparency and objectivity and to avoid creating a culture of cronyism or flattery in the Civil Service.

(c) <u>New Post-retirement Service Contract (PRSC) Scheme</u>

The grade/departmental management are in support of the proposed PRSC Scheme as it would provide flexibility for adjusting staffing level and staff mix to meet their operational and succession needs. On the other hand, less than half of the respondents from the staff sides have provided views on this initiative. Generally, these respondents support, or have no objection to, the PRSC Scheme given its minimal impacts on the civil service system, including its establishment and retirement benefits.

(d) <u>Streamlining control regime on post-service outside work²</u>

The grade/departmental management largely agree that this proposed initiative would help remove unnecessary barriers for junior non-directorate civil servants to continue to stay in the work force after retirement from the Civil Service and save administrative cost in processing these applications. Some respondents point out that due caution should be exercised in drawing the line of grades/ranks that would be eligible for blanket permission to forestall any real or perceived conflict of interests.

² The current control regime on post-service outside work is underpinned by the pensions legislation, relevant Civil Service Regulations and Civil Service Bureau circulars. The control regime seeks to ensure that no impropriety is involved in retired civil servants taking up post-service outside work. Civil servants retiring on pensionable terms are required to seek prior approval from the authority before taking up outside work in the first two years of retirement. Currently, blanket permission is granted to pensionable civil servants remunerated on the Model Scale 1 Pay Scale to take up post-service outside work after retirement.