

政府總部
公務員事務局
香港下亞厘畢道



CIVIL SERVICE BUREAU
GOVERNMENT SECRETARIAT
LOWER ALBERT ROAD
HONG KONG

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20 June 2002

Clerk to Bills Committee on
Public Officers Pay Adjustment Bill
Legislative Council Building
8 Jackson Road
Hong Kong
(Attn : Miss Salumi Chan)

Dear Miss Chan,

**Bills Committee on
Public Officers Pay Adjustment Bill**

I refer to your letter of 18 June 2002. Our response to the questions raised are set out in the following paragraphs :-

- 1. According to the staff sides representatives, the Memorandum on Condition of Service (MOCS) applicable to officers appointed before 1976 does not contain the variation clause which provides the Government with the reserved right to alter any of the officers' terms of appointment, and/or conditions of service. Please provide a copy of the MOCS and explain whether the Administration has the legal basis for reducing the pay of the officers appointed under this type of MOCS.**

Our records show that the pre-1976 specimen Memorandum on Conditions of Service (MOCS) did include the general variation clause. I enclose at the Annex copies of three pre-1976 specimen MOCS for Members' reference –

- (a) MOCS for local officers on probation (GF 301 – February 1964)
- (b) MOCS for local officers appointed on agreement (GF 303 – July 1967)
- (c) MOCS for officers on temporary terms (GF 305 – May 1974)

The Public Officers Pay Adjustment Bill, if enacted, will provide the legal authority for the pay reduction specified.

2. **Article 39 of the Basic Law provides that international labour conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region. Please provide detailed justifications for the Administration's claim that the proposed implementation of civil service pay reduction by legislation would not contravene the relevant provisions of international labour conventions and Article 39.**

Article 39 of the Basic Law provides that the provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international labour conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region.

The Labour Relations (Public Service) Convention 1978 is relevant. Article 7 of the Convention provides that appropriate measures should be taken to encourage and promote the full development and utilization of machinery for negotiation of terms and conditions of employment or of such other methods as would allow representatives of public employees to participate in the determination of these matters. The annual pay adjustment mechanism for the civil service allows staff side representatives to participate in the determination of adjustments to pay and is thus in accordance with Article 7.

In conducting this year's annual civil service pay adjustment exercise, the Administration has followed the established procedures for consulting the staff sides of the central consultative councils. Specifically, in late April 2002, we invited the staff sides to make their pay claims on this year's pay adjustment. We forwarded the pay claims received to the Chief Executive in Council for consideration in deciding on the pay offer, which was then conveyed to the staff sides on 22 May 2002 for their comments. On 28 May 2002, having considered the views of the staff sides on the pay offer and other relevant considerations, the Chief Executive in Council made a final decision on this year's pay adjustment on 28 May 2002. We consider that the views of the staff sides on this year's pay adjustment has been given full and fair consideration in the decision-making process.

Article 8 of the Convention provides that the settlement of disputes arising in connection with the determination of terms and conditions of employment should be sought through negotiation between the parties or through independent and impartial machinery, such as mediation, conciliation and arbitration. To come within Article 8, the dispute must be in connection with the determination of terms and conditions of employment and not with the method by which terms and conditions, once determined, are implemented. Once the pay adjustment has been determined in accordance with machinery which is consistent with Article 7, a dispute as to the implementation is not within the terms of Article 8. The proposed implementation of the pay reduction by way of legislation would not therefore contravene the 1978 Convention, nor Article 39 of the Basic Law.

3. Please provide information on cases in overseas jurisdictions where civil service pay reduction had been implemented by one-off legislation.

There are two examples of cases in overseas jurisdictions where the pay of public sector employees had been reduced by one-off legislation. Details are set out below –

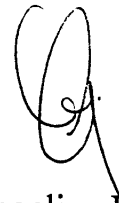
- (a) Public Sector Pay Reduction Act (1994)
Prince Edward Island, Canada

This Act reduced the pay rates of all public sector employees in the Government of Prince Edward Island, Canada with effect from 17 May 1994 as a deficit reduction measures and implemented certain other cost reductions in the public sector. The Act specified that the pay reduction effected are without compensation.

- (b) The State Government Leaders' Salary Reduction Act (2002)
Illinois, USA

This Act imposed a one-time, temporary salary reduction on certain persons in the state government of Illinois, USA in 2002 who are in leadership positions.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Angelina Fung', with a large loop at the top and a trailing line.

(Angelina Fung)
for Secretary for the Civil Service

Encls.

HONG KONG GOVERNMENT

(35) in POL/FORM/6 I

MEMORANDUM OF CONDITIONS OF SERVICE FOR
LOCAL OFFICERS ON PROBATION

1. Terms of Appointment

The appointment is on probation for a period of years with effect from the date of assumption of duty, at the end of which probationary period the officer will be eligible for confirmation to the permanent and pensionable establishment provided that his conduct and service have been satisfactory and that he has acquired all the qualifications necessary for confirmation.

2. General Conditions of Service

(1) The duties of the officer include the usual duties of the office in which he is engaged, and any other duties which his Head of Department or the Colonial Secretary may call upon him to perform. Such duties may include the training and instruction of other officers. Officers may be required before taking up their appointments or at any time during their service to attend prescribed courses of instruction.

(2) The officer shall not, either directly or indirectly, engage or be concerned in any other service or business whatsoever or receive commissions or profits of any kind, but shall devote the whole of his time and attention to the service of the Government, and shall use his utmost exertions to promote the interests of the Government.

(3) The officer is subject to the Orders and Regulations of the Government and to Departmental Instructions for the time being in force; to any special Ordinances or Regulations (whether administrative or statutory) which apply to the office or to the department to which he is appointed; and to Colonial Regulations. These Regulations do not constitute a contract between the Crown and its servants. The Government reserves the right to alter the terms and conditions of service as may become necessary from time to time.

3. Incremental Date

Increments of salary, if any, will be payable from the officer's incremental date which is determined as follows:—

- (a) If he assumes duty in Hong Kong between the 1st and the 15th of the month, his incremental date will be the 1st of that month.
- (b) If he assumes duty in Hong Kong between the 16th and the end of the month, his incremental date will be the 1st of the following month.

No increment will be granted unless the Head of Department certifies that the conduct and diligence of the officer have been satisfactory during the preceding year.

4. Salary

- (1) Full salary will be payable from the date of assumption of duty.
- (2) Salaries are payable in local currency, namely Hong Kong dollars.
- (3) Salaries are paid monthly in arrears.
- (4) The salary of an officer may be liable to deductions under paragraphs 5, 8 and 12.

5. Medical and Dental Attention in the Colony

(1) Medical attention whilst in the Colony is provided free of charge for officers and their families, but hospital maintenance charges are made. Dental treatment (extractions and fillings) is also provided free of charge, but charges are made for dentures and dental appliances.

(2) For the purposes of this Section, "family" means the officer's wife, dependent sons under the age of 18 years and unmarried daughters under the age of 21 years.

5. Leave of Absence

(1) *Vacation leave* may be granted at the following rates:—

	<i>Number of days of leave for each month of resident service.</i>	<i>Number of days of leave which may be accumulated and taken at any one time.</i>
(a) Officers occupying posts which carry an initial monthly salary of \$930 or more (\$690 or more in the case of women officers):		
(i) with effect from the date of completing ten years' service.	3	180
(ii) less than ten years' service.	2	120
(b) Officers occupying posts which carry an initial monthly salary of less than \$930 (less than \$690 in the case of women officers):		
(i) with effect from the date of completing ten years' service.	2	120
(ii) less than ten years' service.	1	60

(2) *Casual leave* may be granted at the rate of 1 day for every month of resident service and may be accumulated up to 42 days.

(3) Casual leave and vacation leave may not normally be combined. Leave is normally approved subject to the exigencies of the service.

Note: Teaching staff of the Education Department who enjoy school holidays are not eligible for vacation leave or casual leave.

(4) *Sick leave* is granted at the following rates:—

<i>Category of Officer.</i>	<i>Nature of Illness</i>	<i>Full Pay</i>	<i>Half Pay</i>	
Officers with less than 4 years' service	Tuberculosis	6 months	6 months	In any period of four years.
	Other than Tuberculosis	3 "	3 "	
Officers with 4 years' service or more	Tuberculosis	12 "	6 "	
	Other than Tuberculosis	6 "	6 "	

7. Termination of Appointment

(1) The Government may at any time during the period of probation terminate the officer's services without any reasons being given, by giving him one month's notice or by paying him one month's salary. In that event the officer may, at the discretion of the Governor, be allowed any vacation leave that he may have earned.

(2) In accordance with the provisions of the Pensions Ordinance (Cap. 89), any officer may be invalided from the Service on receipt of medical evidence that the officer is incapable by reason of any infirmity of mind or body of discharging the duties of his office and that such infirmity is likely to be permanent. An officer's service is not usually terminated on account of ill-health if there is a definite prospect of his being able to perform his duties satisfactorily within a reasonable period of time, after receiving medical treatment and being granted sick leave in accordance with Establishment Regulations.

(3) When an officer has been recommended for invaliding from the Service by a Medical Board or other authority, he will be granted sick leave until he is notified that his retirement on medical grounds has been approved or provisionally approved in the case of officers whose invaliding is subject to the approval of the Secretary of State.

(4) When a local officer is invalided he is granted all earned vacation leave as from the day following the date of approval of invaliding (whether provisional or otherwise); if he has a vacation leave balance of less than one month, or if he is ineligible for vacation leave, he is granted 30 days ex-gratia leave on full pay.

8. Resignation

(1) While he is still on probation the officer may, at any time after the expiry of one month from the date of assumption of duty terminate his services by giving the Government at least one calendar month's notice in writing of his intention to resign, or by paying to Government one month's salary. (Three months notice or the payment of one month's salary is required if he has been confirmed to the permanent establishment).

Note: Leave may not be included in a period of notice.

(2) An officer who resigns from the service and fails to serve the requisite period of notice, or who pays salary in lieu of notice, forfeits his leave.

(3) An officer who, in the opinion of the Establishment Officer, resigns in order to avoid disciplinary proceedings will not be granted any leave.

(4) On resignation all casual leave is forfeited with effect from the date upon which Government requires notice of resignation to be given.

9. Dismissal or Punishment for Misconduct, etc.

An officer who has been confirmed to (or is on probation to) the pensionable establishment may be dismissed or punished for misconduct in accordance with the provisions of Colonial Regulations 55, 56, 57, 58 and 60, or in the case of an officer appointed to a disciplined service, in accordance with the local ordinance governing that service. On dismissal, such an officer forfeits all rights and advantages of his appointment, and no retiring benefits are granted to him.

10. Marriage of Women Officers

A woman officer on probation or on the permanent and pensionable establishment is required to retire on marriage. If she wishes to continue in the service, she may apply to be reappointed on temporary month-to-month terms.

11. Pensions and Retirement

(1) Retiring benefits are granted in accordance with the provisions of the Hong Kong pensions legislation. Pension is earned at the rate of 1/600th of pensionable emoluments (towards which only 90% of salary will count) for each complete month of pensionable service, subject to a maximum rate of two-thirds of the highest pensionable emoluments drawn at any time during service. For the purpose of pension computation, the actual pensionable emoluments drawn at the date of retirement are taken unless a change of office occurs within the period of three years prior to retirement when the pensionable emoluments fall to be averaged over that period. Pension is payable only consequent upon confirmation in appointment, the completion of ten years continuous public service, and retirement in approved circumstances, such as age or ill-health grounds. Pension may be converted, at the officer's option exercisable on or before the date of retirement, into a reduced pension of 75%, 80%, 85%, 90% or 95% of the full pension together with a gratuity of $12\frac{1}{2}$ times the amount of annual reduction. An officer who retires and is in every respect qualified for pension save for the fact that he has not completed ten years qualifying service, is eligible for a gratuity only of an amount equal to five times the annual pension for which he would have been eligible had there been no qualifying period for the award of a pension. Provisions also exist for the award of injury and dependants pensions in respect of officers injured or killed on duty and death gratuities in respect of confirmed officers dying in the Service. Marriage gratuities may also be paid to confirmed female officers with not less than five years continuous service at the date of retirement (see also Section 10).

(2) The normal age of retirement is 55 years and an officer is allowed to serve after attaining that age only in special circumstances. An officer may, however, at present retire, subject to the prior approval of the Governor (and in some cases of the Secretary of State) between the ages of 45 and 50 on the following grounds:—

- (a) grounds of ill-health not sufficient to warrant invaliding, on production of such evidence by way of medical report or otherwise as may be required by the Governor;
- (b) adequate compassionate or personal grounds acceptable to the Governor, provided the public interest is not affected in any unduly adverse manner.

The retirement of officers who are aged 50 years or more but are under the age of 55 will normally be allowed unless the Governor considers that it would not be in the public interest to allow the officer to retire.

Note: The rules regarding retirement between 45 and 55 are subject to change from time to time.

(3) An officer may be called upon to retire (in some cases with the approval of the Secretary of State) on or after attaining the age of 45 years. A female officer is required to retire on marriage (see also Section 10).

12. Widows and Orphans Pension Contributions

Every male officer under the age of 49 appointed on probation (except Police Constables, Constables of the Hawker Control Force, Firemen Class II, Warders, Detective District Watchmen, District Watchmen and Assistant Revenue Officers) is required to contribute to the Hong Kong Widows and Orphans Pension Scheme, with effect from the date of his appointment, at one of the following rates:—

- (a) 4% of 90% of his salary per month; or
- (b) \$125 p.m. if (a) should exceed \$125 p.m., and if he so elects.

13. Application of this Memorandum

Wherever in this memorandum the context so requires by virtue of the fact that the person engaged is a woman, 'he' or its derivatives shall be construed as meaning 'she' or its derivatives.

MEMORANDUM OF CONDITIONS OF SERVICE FOR
LOCAL OFFICERS APPOINTED ON AGREEMENT1. Term of Engagement

The term of engagement is for years with effect from the date of assumption of duty. The date of appointment will be the date on which the officer assumes duty.

2. General Conditions of Service

(1) The duties of the officer include the usual duties of the office in which he is engaged, and any other duties which his Head of Department or the Colonial Secretary may call upon him to perform. Such duties may include the training and instruction of other officers. Officers may be required before taking up their appointments or at any time during their service to attend prescribed courses of instruction.

(2) The working week for the officer is normally $5\frac{1}{2}$ days, the normal hours of work being from 9 a.m. to 5 p.m. from Monday to Friday with one hour for lunch and 9 a.m. to 1 p.m. on Saturday. In addition to Sundays there are approximately 16 gazetted public holidays in a year.

(3) The officer shall not, either directly or indirectly, engage or be concerned in any other service or business whatsoever or receive commissions or profits of any kind, but shall devote the whole of his time and attention to the service of the Government, and shall use his utmost exertions to promote the interests of the Government.

(4) The officer is subject to the Orders and Regulations of the Government, and to Departmental Instructions, for the time being in force; to any special Ordinances or Regulations (whether administrative or statutory) which apply to the office or to the department to which he is appointed; and to Colonial Regulations. These Regulations do not constitute a contract between the Crown and its servants. ~~The Government reserves the right to alter the terms and conditions of service as may become necessary from time to time.~~

3. Incremental Date

Increments of salary, if any, will be payable from the officer's incremental date which is determined as follows :-

(a) If he assumes duty in Hong Kong between 1st and the 15th of the month, his incremental date will be the 1st of that month.

(b) If he assumes duty in Hong Kong between the 16th and the end of the month, his incremental date will be the 1st of the following month.

No increment will be granted unless the Head of Department certified that the conduct and diligence of the officer have been satisfactory during the preceding year.

4. Salary

(1) Full salary will be payable from the date of assumption of duty.

(2) Salaries are payable in local currency, namely Hong Kong dollars.

- (3) Salaries are paid monthly in arrears.
- (4) The salary of the officer may be liable to deductions under paragraphs 5, 8 and 11.

5. Medical and Dental Attention in the Colony

(1) Medical attention whilst in the Colony is provided free of charge for officers and their families but hospital maintenance charges are made. Dental treatment (extractions and fillings) is also provided free of charge, but charges are made for dentures and dental appliances. Spectacles are not provided by Government.

(2) For the purpose of this Section, "family" means the officer's wife, dependent sons under the age of 18 years and unmarried daughters under the age of 21 years.

6. LEAVE OF ABSENCE

(1) Vacation leave may be granted at the following rates:-

	<u>Number of days of leave for each month of resident service</u>	<u>Number of days of leave which may be accumulated and taken at any one time</u>
(a) Officers occupying posts which carry an initial monthly salary of \$1,070 or more (\$800 or more in the case of women officers):		
(i) With effect from the date of completing ten years' service	2½	180
(ii) less than ten years' service	1½	120
(b) Officers occupying posts which carry an initial monthly salary of less than \$1,070 (less than \$800 in the case of women officers):		
(i) With effect from the date of completing ten years' service	1½	120
(ii) less than ten years' service	¾	60

(2) Casual leave may be granted at the rate of 1 day for every month of resident service and may be accumulated up to 42 days.

(3) Casual leave and vacation leave may not normally be combined. Leave is normally approved subject to the exigencies of the service.

Note : Teaching staff of the Education Department who enjoy school holidays are not eligible for vacation leave or casual leave.

(4) Sick leave is granted at the following rates:-

<u>Category of officer</u>	<u>Nature of illness</u>	<u>Full pay</u>	<u>Half pay</u>	
Officers with) less than 4) years' service)	Tuberculosis or	6 months	6 months	} In any period of four years
	leprosy			
	Other than	3 "	3 "	
Officers with) 4 years' ser-) vice or more)	Tuberculosis or	12 "	6 "	} In any period of four years
	leprosy			
	Other than	6 "	6 "	
	Tuberculosis or			
	leprosy			

7. Termination of appointment

(1) The Government may at any time terminate the services of the officer without any reasons being given on giving him three months' notice in writing or by paying him one month's salary in lieu of notice.

(2) If at any time a Government medical officer certifies that an officer on agreement is incapable by means of any infirmity of mind or body (such incapacity not being caused by his own misconduct) of rendering further efficient service his case will be dealt with in accordance with the regulations governing the invaliding of non-pensionable local officers.

8. Resignation

(1) The officer may, at any time after the expiry of three months from the date of assumption of duty terminate his service by giving the Government at least three calendar months' notice in writing of his intention to resign or by paying to Government one month's salary.

Note: Leave may not be included in a period of notice.

(2) An officer who resigns from the service and fails to serve the requisite period of notice or who pays salary in lieu of notice, forfeits his leave.

(3) An officer who, in the opinion of the Establishment Officer, resigns in order to avoid disciplinary proceedings will not be granted any leave.

(4) On resignation all casual leave is forfeited with effect from the date upon which Government requires notice of resignation to be given.

9. Dismissal or Punishment for Misconduct, etc.

(1) If an officer on agreement at any time neglects or refuses or for any reason (except ill health not caused by his own misconduct) becomes unable to perform any of his duties or to comply with any order, or discloses any information concerning the affairs of the Hong Kong Government to any unauthorised person, or in any manner misconducts himself, he may be dismissed and on such dismissal all rights and advantages of his appointment shall cease.

(2) Any officer may be punished for misconduct in accordance with the provisions of Colonial Regulations 55, 56, 57, 58 and/or 60.

10. Marriage of Women Officer

A woman officer on agreement is required to resign her appointment on marriage. If she wishes to continue in the service, she may apply to be reappointed on temporary month-to-month terms.

11. Widows and Orphans Pension Contributions

(1) Every male officer under the age of 49 appointed on probation is required to contribute to the Hong Kong Widows and Orphans Pension Scheme, with effect from the date of his appointment, at one of the following rates:-

- (a) 4% of his salary per month; or
- (b) \$125 p.m. if (a) should exceed \$125 p.m. and if he so elects.

(2) A male officer appointed on agreement for a period of three years or more is required to contribute at the same rate, unless he informs the Accountant General in writing within a month of the date of assumption of duty (i.e. the date of arrival in Hong Kong) that he does not desire to contribute.

12. Retirement

Local Officers appointed on agreement are not eligible for the grant of a contract gratuity under Establishment Regulations. They may however be eligible in certain circumstances for the grant of retiring benefits as "non-pensionable" officers, i.e. an annual allowance and/or lump-sum gratuity under the Pensions Ordinance, Chapter 89, and the Regulations made thereunder. The rate of annual allowance is 1/800th of salary on retirement (actual or average as appropriate) for each completed month of service up to 25 years, with an addition thereto of 1/600th of such salary for each completed month of service in excess of 25 years. An annual allowance is payable on retirement on grounds of age, ill-health or redundancy subject to completion of 10 years service. A gratuity may be granted if the officer retires on account of age, ill-health or redundancy before completion of 10 years' service.

13. Further employment

Three months prior to the completion of the term of engagement, the officer shall give notice in writing to the Government whether he desires to remain in its employment, and the Government shall thereupon decide whether it will offer him further employment, and, if so, will communicate the terms of the further employment to the officer.

14. Application of this Memorandum

(a) Wherever in this memorandum the context so requires by virtue of the fact that the person engaged is a woman, 'he' or its derivatives shall be construed as meaning 'she' or its derivatives.

(b) Wherever in this memorandum the word "salary" appears it should be construed as meaning "substantive salary".

HONG KONG GOVERNMENT

MEMORANDUM OF CONDITIONS OF SERVICE FOR OFFICERS ON TEMPORARY TERMS

1. Terms of Appointment

The appointment is on temporary month to month terms. If the post is made pensionable at a later date, the officer will be eligible for consideration for appointment on probation to the permanent establishment.

2. General Conditions of Service

(1) The duties of the officer include the usual duties of the office in which he is engaged, and any other duties which his Head of Department or the Colonial Secretary may call upon him to perform. Such duties may include the training and instruction of other officers. Officers may be required before taking up their appointments or at any time during their service to attend prescribed courses of instruction.

(2) The working week for "indoor" staff is normally 5½ days, the normal hours of work being from 9 a.m. to 5 p.m. from Monday to Friday with one hour for lunch and 9 a.m. to 1 p.m. on Saturday. The working week for outdoor staff is normally 6 days, the normal hours of work being from 8 a.m. to 12 noon and 1 p.m. to 5 p.m. from Monday to Saturday. In addition to Sundays there are approximately 17 gazetted public holidays a year.

(3) The officer shall not, either directly or indirectly, engage or be concerned in any other service or business whatsoever or receive commissions or profits of any kind, but shall devote the whole of his time and attention to the service of the Government, and shall use his utmost exertions to promote the interests of the Government.

(4) The officer is subject to the Orders and Regulations of the Government and to Departmental Instructions for the time being in force; to any special Ordinances or Regulations (whether administrative or statutory) which apply to the office or to the department to which he is appointed; and to Colonial Regulations. These Regulations do not constitute a contract between the Crown and its servants. The Government reserves the right to alter the terms and conditions of service as may become necessary from time to time.

3. Incremental Date

Increments of salary, if any, will be payable from the officer's incremental date which is determined as follows:—

(a) If he assumes duty in Hong Kong between the 1st and the 15th of the month, his incremental date will be the 1st of that month.

(b) If he assumes duty in Hong Kong between the 16th and the end of the month, his incremental date will be the 1st of the following month.

No increment will be granted if the Head of Department certifies that the conduct and diligence of the officer have been unsatisfactory during the preceding year

4. Salary

(1) Full salary will be payable from the date of assumption of duty.

(2) Salaries are payable in local currency, namely Hong Kong dollars.

(3) Salaries are paid monthly in arrears.

(4) The salary of an officer may be liable to deduction under paragraphs 5 and 8.

5. Medical and Dental Attention in the Colony

(1) Medical attention whilst in the Colony is provided free of charge for officers and their families but hospital maintenance charges are made. Dental treatment (extractions and fillings) is also provided free of charge, but charges are made for dentures and dental appliances. Spectacles are not provided by Government.

(2) For the purpose of this Section "family" means the officer's wife, dependent sons under the age of 19 years and unmarried daughters under the age of 21 years.

6. Leave of Absence

(1) *Vacation leave* may be granted at the following rates:—

(i) less than ten years' service

(ii) with effect from date of completing ten years' service

(Offices with initial salary under/over Point 18 of the Master Scale)

Number of days of
leave for each month
of resident service.

Nil

1½/2½

Number of days of
leave which may
be accumulated and
taken at any one time

Nil

120/180

(2) *Casual leave* may be granted at the rate of 1 day for every month of resident service and may be accumulated up to 30 days.

(3) Casual leave and vacation leave may not normally be combined. Leave is normally approved subject to the exigencies of the service.

Note: Teaching staff of the Education Department who enjoy school holidays are not eligible for vacation leave or casual leave.

(4) Sick leave is granted at the following rates:—

Category of Officer	Nature of Illness	Full Pay	Half Pay	
Officers with less than 4 years' service	Tuberculosis or leprosy	6 months	6 months	In any period of four years
	Other than Tuberculosis or leprosy	3 "	3 "	
Officers with 4 years' service or more	Tuberculosis or leprosy	12 "	6 "	
	Other than Tuberculosis or leprosy	6 "	6 "	

7. Termination of Appointment

(1) The Government may at any time terminate the officer's services without any reasons being given, by giving him one month's notice or by paying him one month's salary. In that event the officer may, at the discretion of the Governor, be allowed any vacation leave that he may have earned.

(2) In accordance with the provisions of the Pensions Ordinance (Cap. 89), any officer may be invalided from the Service on receipt of medical evidence that the officer is incapable by reason of any infirmity of mind or body of discharging the duties of his office and that such infirmity is likely to be permanent. An officer's service is not usually terminated on account of ill-health if there is a definite prospect of his being able to perform his duties satisfactorily within a reasonable period of time, after receiving medical treatment and being granted sick leave in accordance with Establishment Regulations.

(3) When an officer has been recommended for invaliding from the Service by a Medical Board or other authority, he will be granted sick leave until he is notified that his retirement on medical grounds has been approved or provisionally approved in the case of officers whose invaliding is subject to the approval of the Secretary of State.

(4) When a local officer is invalided he is granted all earned vacation leave as from the day following the date of approval of invaliding (whether provisional or otherwise); if he has a vacation leave balance of less than one month, or if he is ineligible for vacation leave, he is granted 30 days ex-gratia leave on full pay.

8. Resignation

(1) The officer may terminate his service by giving the Government at least one calendar month's notice in writing of his intention to resign, or by paying to Government one month's salary.

Note: Leave may not be included in a period of notice.

(2) An officer who resigns from the service and fails to serve the requisite period of notice, or who pays salary in lieu of notice, forfeits his leave.

(3) An officer who, in the opinion of the Establishment Secretary, resigns in order to avoid disciplinary proceeding will not be granted any leave.

(4) On resignation all casual leave is liable to forfeiture with effect from the date upon which Government requires notice of resignation to be given unless authorised by Head of Department (Secretariat Circular Memo (129) in PR 4304/52 of 10.5.68).

9. Dismissal or Punishment for Misconduct, etc.

(1) If an officer at any time neglects or refuses or for any reason (except ill-health not caused by his misconduct) becomes unable to perform any of his duties or to comply with any order, or discloses any information concerning the affairs of the Hong Kong Government to any unauthorised person, or in any manner misconducts himself, he may be dismissed and on such dismissal all rights and advantages of his appointment shall cease.

(2) An officer may be punished for misconduct in accordance with the provisions of Establishment Regulations, or if a member of a disciplined service, the disciplinary provisions of the local ordinance.

10. Annual Allowance and/or Gratuity

(1) The award of annual allowances and/or gratuity is governed by the Pensions Ordinance, Cap. 89 and Regulations made thereunder. The rate of annual allowance is 1/800th of salary on retirement (actual or average as appropriate) for each completed month of service up to 25 years, with an addition thereto of 1/600th of such salary for each completed month of service in excess of 25 years. An annual allowance is payable on retirement on grounds of age, ill-health or redundancy subject to completion of 10 years service. A gratuity may be granted if the officer retires on account of age, ill-health or redundancy before completion of 10 years' service.

(2) The officer may elect at the time of retirement to have his annual allowance converted into a reduced annual allowance of 75%, 80%, 85%, 90% or 95% of the full annual allowance together with a lump sum gratuity of 12½ times the amount of annual reduction so made in the full annual allowance. The normal age of retirement is 55.

11. Application of this Memorandum

(a) Wherever in this memorandum the context so requires by virtue of the fact that the person engaged is a woman, "he" or its derivatives shall be construed as meaning "she" or its derivatives.

(b) Wherever in this memorandum the word "salary" appears it should be construed as meaning "substantive salary".