

**Bills Committee on Disciplined Services Legislation
(Miscellaneous Amendments) Bill 2009**

**Administration's responses to the Committee Stage Amendments
proposed by the Hon James To**

Background

At the Bills Committee meeting on 4 May 2009, the Administration undertook to provide its views on the Committee Stage Amendments ("CSAs") proposed by the Hon James To to specify the maximum percentage of reduction (i.e. 25%) of the accrued benefits attributable to the Government's voluntary contributions ("GVC benefits") on compulsory retirement of Civil Service Provident Fund ("CSPF") civil servants in the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 ("the Bill").

Percentage of reduction of GVC benefits

2. Having carefully considered the proposed CSAs, we remain of the view that specifying the reduction ceiling for GVC benefits¹ in a government circular is the best course, as it is consistent with the approach to provide the basis of the CSPF scheme, including all its terms and conditions, in contract. We are also committed to giving a clear undertaking upon the resumption of the Second Reading Debate of the Bill that the Administration will consult the staff sides and the Panel on Public Service should there be a need to revise the reduction ceiling in future, and that the Administration would take into account the views received before deciding on any such revision. In view of the above, the Administration will not support the CSAs proposed by the Hon James To.

¹ Including Government's Voluntary Contribution ("GVC") made for all CSPF civil servants and Special Disciplined Services Contribution ("SDSC") made additionally for disciplined services grade officers.

Observations on the proposed CSAs

3. On the drafting of the proposed CSAs, we have the following observations for Members' reference -

- (a) the phrase "reduced retirement benefits (not exceeding 25% of the retirement benefits in the case of the civil service provident fund scheme)" seems to suggest that the civil servant concerned would get a maximum of 25% of his retirement benefits, instead of setting the maximum amount of reduction at 25%;
- (b) the provisions amended refer to the retirement benefits of officers. Therefore, it appears to us that the reduction limit should relate to the "retirement benefits" under the CSPF scheme or a "person", "officer", etc, who comes under the scheme instead of "in the case of the civil service provident fund scheme" as presently drafted; and
- (c) the references to clauses 27(3)(g), 28(2)(c), 28(4)(c), 28(6)(c) and 28(8)(c) should be amended to read as clauses 27(3), 28(2), 28(4), 28(6) and 28(8) respectively. The newly proposed paragraphs in those clauses should be mentioned in the second column (i.e. "Amendment Proposed") of the CSAs.

Civil Service Bureau
May 2009