

立法會
Legislative Council

LC Paper No. CB(4)278/13-14(01)

Ref: CB4/PL/PS

Panel on Public Service
Special meeting on 10 January 2014

**Background brief on the manpower situation of the civil service and
retirement age of civil servants**

Purpose

This paper provides background information on the manpower situation of the civil service and retirement age of civil servants, and summarizes the major views and concerns expressed by members when the subject was discussed at the Panel on Public Service ("the Panel").

Background

Establishment and strength

2. According to the Administration¹, the civil service has grown modestly to meet the demand for new or improved services to the public since 2007.² As at 31 March 2012, the civil service establishment (i.e. the number of posts) and strength (i.e. the number of serving civil servants) stood at 165 343 and 159 195 respectively. There were 1 383 directorate posts and 1 306 directorate civil servants. The number of civil servants on 31 March 2012 was about 2.2% of the population of Hong Kong and about 4.2% of the total work force.

Retirement and resignation in the civil service

3. The retirement age of civil servants is prescribed under the pensions legislation and Civil Service Regulations. The normal retirement age for civil

¹ LC Paper No. CB(4)625/12-13(06)

² The turn of the millennium witnessed a down-sizing of the civil service through a number of measures undertaken by the Administration, including enhanced efficiency drives, the two general voluntary retirement schemes ("VR") in 2000 and 2003, the targeted VR schemes for specific grades, and the six years of open recruitment freeze which ended in March 2007 (i.e. from 1999-00 to 2006-07 save for 2001-02 and 2002-03).

servants ranges between 55 and 60. Information regarding retirement ages in the civil service is set out in **Appendix I**.

4. The number of retiring civil servants stood at around 4 200 in 2011-12, which accounted for 2.7% of the civil service strength. The number of directorate civil servants retirees increased steadily over the last decade and reached to around 7.5% of the directorate strength in 2011-12. Assuming that civil servants would only retire upon reaching their applicable normal retirement age, the Administration projected that the number of retirees would increase until 2021-22, from the annual average of around 4 100 for the five-year period ended 2011-12 to around 5 600 in the five-year period ending 2016-17 and around 7 000 in the next five-year period ending 2021-22.

5. With the introduction of the New Pension Scheme in 1987 and the declining number of civil servants on Old Pension Scheme, civil servants retiring before the age of 55 decreased from 35% of the total number of retirees in 1987-88 to 8% in 2011-12. At the end of 2012, 94% of all civil servants on pensionable terms and Civil Service Provident Fund Scheme were subject to a retirement age of 60.

Age profile of civil servants

6. The age profile of the civil service largely mirrors that of the community and the working population of Hong Kong. While the number of civil servants in the age group of 40-59 comprised around two-thirds of the total strength in 2011-12, the Administration forecasted that the increase in the intake of new recruits in the age group of 20-39 since the resumption of open recruitment in 2007 and the anticipated large number of retirement in the coming decade would gradually moderate the ageing profile of the civil service.

A study on the retirement age of civil servants

7. The Steering Committee on Population Policy ("SCPP"), chaired by the Chief Secretary for Administration, released a consultation document on population policy and launched a four-month public engagement exercise on 24 October 2013. In the light of an ageing population and shrinking labour force, the Administration is exploring ways to encourage more people to work and extend the working life of the labour force. Against this backdrop and to facilitate succession planning in the Civil Service, the Civil Service Bureau is conducting a study to examine its succession or operational needs and to look at possible options for extending the service of civil servants who have reached retirement age and applying a higher retirement age to new recruits. The study is expected to be completed by early 2014.

Major views and concerns expressed by the Panel

8. The Panel discussed issues relating to the manpower situation of the civil service and retirement age of civil servants when it deliberated the subject of "An overview of the civil service: establishment, strength, retirement, resignation and age profile" at its meetings on 22 February 2010, 17 January 2011, 16 April 2012 and 3 June 2013. Panel members also expressed views on succession planning and retirement age in the civil service at the meetings on 19 November 2012, 21 January and 18 March 2013. The major views and concerns expressed by Panel members and the Administration's responses are summarized below.

Succession in the civil service

9. Noting that there would be a large number of civil servants retiring in the next 10 years, and that a relatively large proportion (68%) of the serving directorate civil servants were in the age group of 50-59, members expressed grave concern over the succession situation in the civil service, and urged the Administration to draw up measures to deal with possible succession gaps and to ensure effective transfer of knowledge and skills from experienced civil servants to the younger ones.

10. The Administration advised that the Government had been recruiting civil servants to fill vacancies arising from retirement in a timely manner, and the recruitment processes were streamlined where possible. Under exceptional circumstances, bureaux/departments ("B/Ds") were allowed to further employ civil servants beyond their retirement age to help them meet specific operational or succession needs. In addition, appropriate training and development programmes were provided for civil servants and, where appropriate, junior civil servants would be given opportunities to take up greater responsibilities so that they could accumulate relevant experience and job knowledge. As regards the succession situation for directorate civil servants, there was a well-established mechanism in place under which B/Ds would regularly review the succession situation in individual grades and make advance succession planning, particularly at the directorate level.

Retirement age of civil servants

11. Some members considered that the Administration should consider extending the retirement age of civil servants, which, in their view, could help forestall succession problems, the outflow of experienced civil servants to other organizations, and lessen the Government's burden in providing retirement benefits for retired civil servants. The members suggested that voluntary extension of retirement age could first be implemented for civil service grades

where promotion blockage was not an issue, or that a pilot scheme could be rolled out in some B/Ds first, e.g. the disciplined service departments.

12. The Administration responded that the proposal of extending the retirement age of civil servants involved policy, operational, social and financial considerations. The Administration would need to carefully consider the suggestion, particularly its impact on public finance, promotion prospects of serving civil servants, operational needs of B/Ds and opportunities for job seekers to join the civil service. A holistic approach, rather than a selective one confining to particular grades, would be adopted.

13. Some members suggested that the Administration should take into account the impact of different retirement benefit systems on civil servants' retirement when conducting the relevant study, and consider giving greater incentive to those civil servants appointed on pensionable terms if it was the Government's intention to engage civil servants after their retirement.

Manpower shortage in the civil service

14. Some members expressed concern about the shortage of manpower in the civil service. They opined that the down-sizing of the civil service in the early years of 2000s had resulted in staff shortage at working levels, and the modest increase in the civil service establishment in recent years fell short of the growth in workload to meet the increasing demand for public services. The manpower shortage situation was aggravated by the persistent shortfall in the number of civil servants to achieve full strength of the civil service. They worried that the shortage of manpower would lead to staff morale problems.

15. The Administration responded that since 2007, no predetermined ceiling had been set for the civil service establishment, and new posts would be created when justified in meeting the demand for new and improved services. There had been a modest increase of about 1% in the civil service establishment each year since 2007. To meet short-term manpower needs such as those arising from the taking of leave by officers, B/Ds could arrange acting appointments. While conscious of the need to maintain a lean and efficient civil service, the Administration would consider bids for additional posts seriously on a case-by-case basis. In addition, as it took time to conduct recruitment exercises to fill vacancies, it was inevitable that there was constantly a gap between the establishment and strength of the civil service. That said, B/Ds were requested to make early planning and arrangements to fill vacancies arising from resignation or retirement of civil servants and creation of new posts. The Civil Service Bureau ("CSB") was also working with B/Ds to speed up the recruitment process.

16. Some members expressed concern about the rising trend of outflow of high calibre Administrative Officers ("AO") to other organizations, the manpower situation of professional grades, as well as the ability of Bureau Secretaries and Permanent Secretaries to deal with complex and technical issues. The Administration responded that the turnover of civil servants in recent years had been relatively stable, and there was no significant brain-drain problem. Response to AO recruitment exercise also remained stable. It was not essential for senior government officials to possess relevant professional knowledge as they were supported by professional staff within the relevant B/Ds who rendered advice on issues that required professional knowledge. While Bureau Secretaries were politically appointed officials, Permanent Secretaries were civil servants from the AO grade and they were well versed with various policies and administrative practices.

Council question

17. Hon YIU Si-wing raised an oral question on the shortage of manpower of Immigration Department ("ImmD") performing immigration control duties at the Council meeting of 20 November 2013. Hon CHAN Kin-por raised an oral question on the retirement of disciplined services staff at the Council meeting of 29 May 2013. Hon Mrs Regina IP raised an oral question on the retirement benefits of serving and retired civil servants at the Council meeting of 16 May 2012. Hyperlinks to the relevant Hansards are provided in **Appendix II**.

Latest development

18. The Panel will hold a special meeting on 10 January 2014 to receive views from individuals/deputations on the subject of manpower situation of the civil service and retirement age of civil servants.

Relevant papers

19. A list of relevant papers is set out in **Appendix II**.

Appendix I

Retirement Ages in the Civil Service

(A) The normal retirement age is –

- (i) 55 for civil servants (both civilian and disciplined services grades) recruited before 1 July 1987 and remain on the Old Pension Scheme (OPS);
- (ii) 60 for civilian civil servants who have switched from the OPS to the New Pension Scheme (NPS) and for civil servants recruited to civilian grades on or after 1 July 1987 on the NPS or the Civil Service Provident Fund (CSPF) Scheme; and
- (iii) 55 or 57 (depending on ranks)^{Note} for civil servants in the disciplined services grades who have switched from the OPS to the NPS and for civil servants recruited to disciplined services grades on or after 1 July 1987 on the NPS or the CSPF Scheme.

(B) Civil servants may apply to retire early after attaining the age of –

- (i) 45 for rank-and-file civil servants in disciplined services grades and are on the OPS;
- (ii) 50 for civilian civil servants and are on the OPS, civil servants in officer ranks of disciplined services grades and are on the OPS, and rank-and-file civil servants in disciplined services grades who have switched from the OPS to the NPS; and
- (iii) 55 for civilian civil servants who have switched from the OPS to the NPS, and civil servants in directorate ranks of disciplined services grades whose normal retirement age is 57 who have switched from the OPS to the NPS.

Source: Annex F of LC Paper No. CB(4) 625/12-13(06)

^{Note} The normal retirement age is 57 for civil servants in some directorate ranks in the disciplined services grades, while the normal retirement age is 55 for civil servants in all other ranks in the disciplined services grades.

Appendix II

Manpower situation of the civil service and retirement age of civil servants

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	22 February 2010 (Agenda item IV)	Agenda Administration's paper Minutes
Panel on Public Service	17 January 2011 (Agenda item IV)	Agenda Administration's paper Background brief Minutes
Panel on Public Service	16 April 2012 (Agenda item III)	Agenda Administration's paper Updated background brief Minutes
Council Meeting	16 May 2012	Official Record of Proceedings Pages 105 - 109 (Oral question raised by Hon Mrs Regina IP)
Panel on Public Service	19 November 2012 (Agenda item VI)	Agenda Minutes
Panel on Public Service	21 January 2013 (Agenda item IV)	Agenda Minutes

Meeting	Date of meeting	Paper
Panel on Public Service	18 March 2013 (Agenda item III)	Agenda Minutes
Council Meeting	29 May 2013	Official Record of Proceedings Pages 102 - 106 (Oral question raised by Hon Mr CHAN Kin-por)
Panel on Public Service	3 June 2013 (Agenda item V)	Agenda Administration's paper Updated background brief Minutes
Council Meeting	20 November 2013	Official Record of Proceedings Pages 14 - 24 (Oral question raised by Hon Mr YIU Si-wing)

Council Business Division 4
Legislative Council Secretariat
6 January 2014