

For information

**Legislative Council**  
**Panel on Administration of Justice and Legal Services**

**Medical Insurance Allowance for Judges and Judicial Officers**

**PURPOSE**

This paper informs Members of the feedback from the Judiciary regarding the implementation of the Medical Insurance Allowance (MIA) for Judges and Judicial Officers (JJOs) and measures to overcome JJOs' difficulty in sourcing medical insurance plans that meet their needs for claiming reimbursement of MIA.

**BACKGROUND**

2. We informed Members vide a Legislative Council Brief entitled "Review of Conditions of Service for Judges and Judicial Officers"<sup>1</sup> that five areas of the conditions of service<sup>2</sup> for JJOs would be enhanced with effect from 1 April 2017. In respect of medical and dental benefits, the Judiciary pointed out that there had been feedback from serving JJOs at various levels of courts over the inadequacy of the provision of medical services. As most JJOs join the Bench after middle age, the provision of adequate medical services is one of the key considerations for attracting qualified candidates at all levels of court.

3. Taking into account the feedback from JJOs, the Government has approved the introduction of a new accountable allowance which is taxable, to be referred to as MIA, as a supplement to the existing provision of medical and dental benefits provided by the Department of Health and the Hospital Authority. Under the scheme, all serving JJOs

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<sup>1</sup> File ref: CSO/ADM CR 2/3222/88.

<sup>2</sup> Including housing benefits, medical and dental benefits, Local Education Allowance, Judicial Dress Allowance and transport service for leave travel.

and their eligible dependents<sup>3</sup> can select from the market any pure medical insurance plan<sup>4</sup> which meet their specific needs, and the premium incurred will be reimbursable subject to the MIA rates they are entitled to<sup>5</sup>. The rates of MIA are adjusted annually on 1 April with reference to the change in the Composite Consumer Price Index over the past 12 months ending 31 December.

## **IMPLEMENTATION OF MIA**

4. The Judiciary advises that while the implementation of the various enhancements to the conditions of service for JJOs has generally been smooth, they have encountered some difficulties with regard to that of MIA. In processing applications and dealing with enquiries from JJOs regarding MIA, the Judiciary has received feedback from many JJOs that they have encountered difficulties in sourcing medical insurance plans from the market that do not contain the component of hospital cash benefits. For those JJOs who have already taken out medical insurance plans (some for a considerable period of time), insurance companies have refused to remove such component from their plans. The Judiciary considers that if medical plans comprising hospital cash benefits are not reimbursable, it would greatly limit the choices of medical plan available in the market that meet the needs of JJOs.

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<sup>3</sup> Eligible dependents refer to the spouse and unmarried children (including children of divorced/legally separated officers, stepchildren, adopted children and illegitimate children) who are (i) under the age of 19, or (ii) aged 19 or over but under 21 and are in full-time education or in full-time vocational training, or dependent on the officers as a result of physical or mental infirmity.

<sup>4</sup> Pure medical insurance plans refer to medical insurance plans without any non-medical elements such as life protection, savings, investment linkage or hospital cash benefits.

<sup>5</sup> The initial rates are as follows –

Age 60 and above :	\$53,690
Age 55 to below 60:	\$44,200
Age 50 to below 55:	\$36,800
Age 45 to below 50:	\$30,980
Age below 45:	\$22,940
Dependent children:	\$19,300

5. The Judiciary suggests that this appears to them to be disproportionate and unfair. This is all the more the case for those JJOs who have existing medical plans (some for many years) that are medical in nature but contain a component of hospital cash benefits. In order to be eligible for claiming MIA, they may be required to terminate their existing plans and take out new plans that exclude such component. In this regard, they may well encounter real difficulties in taking out a favourable medical plan having regard to their age and the requirement to pass the medical examinations. Moreover, their premium may increase substantially and their plan coverage may be subject to more exclusions if they seek a new plan.

6. The MIA scheme is introduced with the objective to supplement the existing medical and dental provisions for JJOs by reimbursing them with the actual premium of the medical insurance taken by them. The Judiciary states that they are mindful of the principle that no JJOs should receive actual hospital cash benefits arising from MIA and supports such principle. Having regard to the practical difficulties faced by JJOs, the Judiciary suggests and the Government agrees to adopt a pragmatic approach to tackle the matter.

7. Specifically, medical insurance plans with the component of hospital cash benefits will be accepted for reimbursement of MIA; and that, where eligible, the hospital cash benefits will be claimed but such benefits will not be kept by the JJOs and their dependents and will be returned to the Government. Hence, there will not be any financial loss on the part of the Government and the JJOs and their dependents will not enjoy any hospital cash benefits arising from schemes covered by MIA. The Judiciary will require JJOs and their dependents who have been reimbursed with MIA for medical insurance plans with the component of hospital cash benefits to claim for the hospital cash and return such cash to the Government. The same principle and arrangement should be applied to all JJOs, irrespective of whether they have an existing plan or purchase a new plan for reimbursement of MIA. Otherwise, JJOs purchasing new plans will have much fewer choices of plans that best suit their needs. The arrangement will take retrospective effect from 1 April 2017 such that JJOs who have existing medical plans with the component of hospital cash benefits can claim reimbursement for MIA when it is first introduced.

## **ADVICE SOUGHT**

8. Members are invited to note the content of this paper.

Administration Wing  
Chief Secretary for Administration's Office  
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