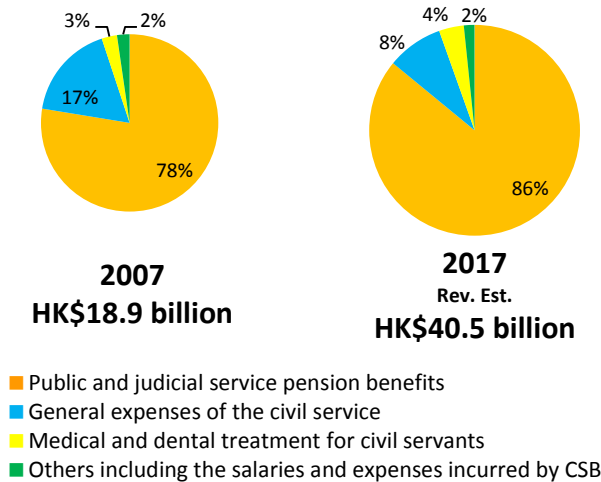




## Financial provisions for work related to management of the civil service

**Figure 1 – Financial provisions for work related to management of the civil service**

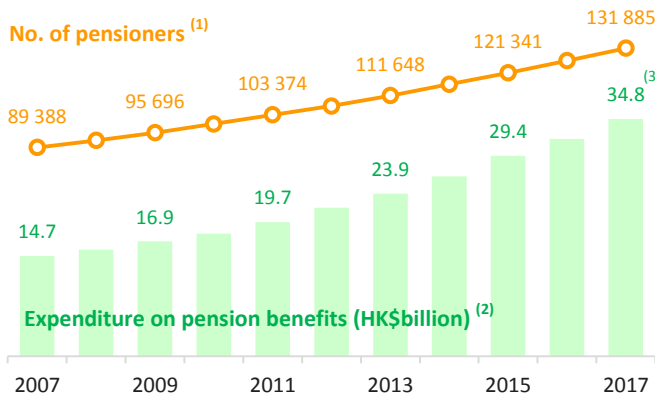


**2007**  
HK\$18.9 billion

**2017**  
Rev. Est.  
HK\$40.5 billion

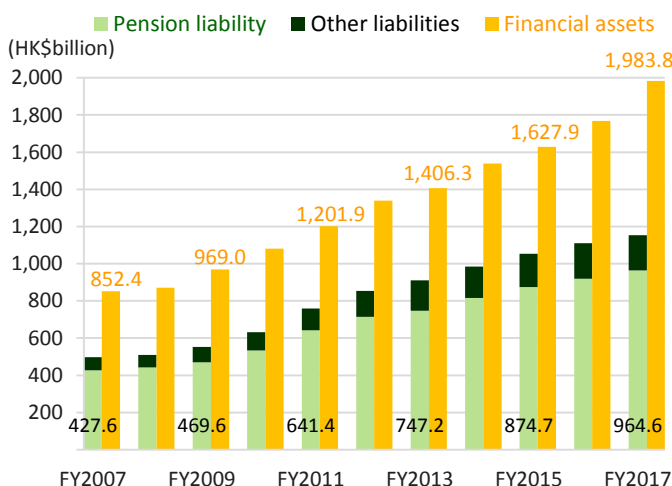
- Public and judicial service pension benefits
- General expenses of the civil service
- Medical and dental treatment for civil servants
- Others including the salaries and expenses incurred by CSB

**Figure 2 – Public and judicial service pension benefits**



- Notes: (1) Calendar year figures.  
(2) Fiscal year figures.  
(3) Revised estimate figure.

**Figure 3 – Government assets and liabilities**

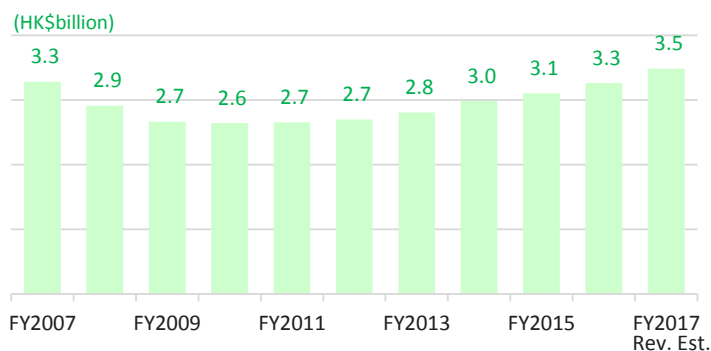


### Highlights

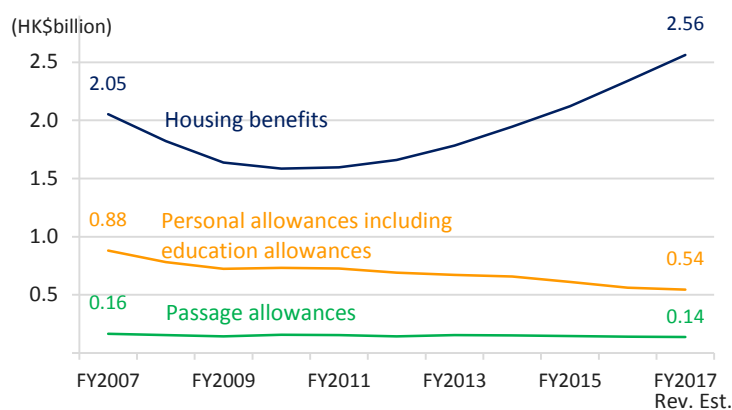
- To facilitate the delivery of new policy initiatives and improvement of quality of services to the public, the civil service has grown steadily over the past decade or so and employed 172 633 people as at end-September 2018. Every financial year, the Civil Service Bureau ("CSB") makes financial provisions for work related to management of the civil service.
- The financial provisions for the management of the civil service more than doubled between FY2007 and FY2017 (**Figure 1**), reflecting the increase in the number of the civil servants from 153 477 to 171 458 over the same period. Analyzed by major policy area, public and judicial service pension benefits accounted for most of the financial provisions in FY2017. It was followed by (a) general expenses of the civil service; and (b) medical and dental treatment for civil servants.
- In FY2017, the amount of pension payments made to the eligible retired public officers totalled HK\$34.8 billion, representing an annual average growth rate of 9.0% since FY2007 (**Figure 2**). This was fuelled by the increase in the number of eligible pensioners that grew by annual average of 4.0% over the period.
- According to the *Report of the Working Group on Long-Term Fiscal Planning* released in 2014, the projected government expenditure on pension benefits would grow continuously to the peak at HK\$50.9 billion in FY2032, when most of the pensionable officers would be retiring and receiving their lump sum pension gratuities. The expenditure is projected to decrease henceforth to HK\$36 billion by FY2041.
- On accrual-based accounting, the Government's liability on pension had more than doubled from HK\$427.6 billion in FY2007 to HK\$964.6 billion in FY2017 (**Figure 3**). The amount consistently accounted for over 80% of the Government's total liabilities over the same period. Nevertheless, the Government should be financially capable of meeting its pension liability. After deducting the pension liability and other liabilities, the net financial assets of the Government still stood at HK\$830.2 billion in FY2017.

## Financial provisions for work related to management of the civil service (cont'd)

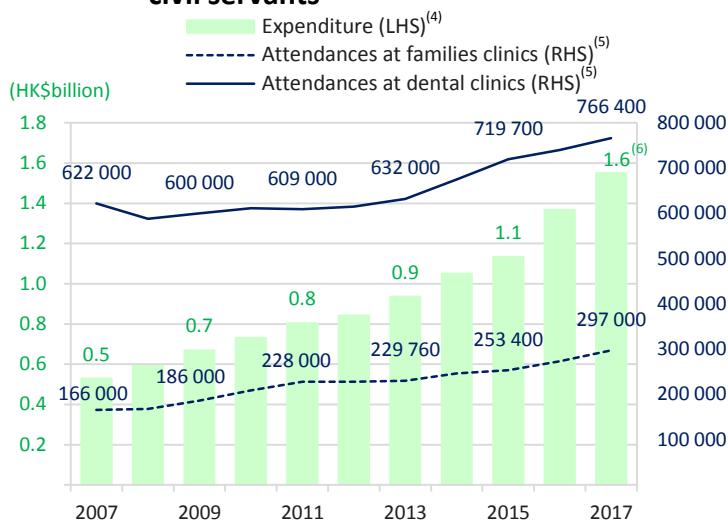
**Figure 4 – Expenditure on general expenses of the civil service**



**Figure 5 – Expenditure on selected civil service allowance**



**Figure 6 – Medical and dental treatment for civil servants**



Notes: (4) Fiscal year figures.  
 (5) Calendar year figures.  
 (6) Revised estimate figure.

### Highlights

- The financial provisions for general expenses of the civil service is to pay for expenditure on terms and conditions of service and other personnel related expenses. The amount of financial provisions has only increased modestly in recent years (**Figure 4**), in contrast with the surge in the public and judicial service pension benefits. This was due to efforts made by the Government in controlling and even reducing the expenditure on the fringe benefit type of civil service allowances over the years (**Figure 5**), particularly those available to officers offered appointment since 1 June 2000 ("new recruits").
- For example, new recruits are no longer eligible for Overseas Education Allowance and Local Education Allowance. Housing benefits for new recruits have also been reduced in scope, with the introduction of the Non-accountable Cash Allowance Scheme to replace the Home Financing Scheme and other kinds of housing allowance schemes. Likewise, Leave Passage Allowance provided to directorate officers is granted only to the officers themselves, and not to their family members.
- The financial provisions for medical and dental treatments for civil servants more than tripled between FY2007 and FY2017 (**Figure 6**). This was attributable to the setting up of new families clinics and dental surgeries, as well as the increased number of attendees to the family and dental clinics. In Hong Kong, serving civil servants, pensioners and their eligible dependents are entitled to receive free medical and dental services at families clinics and government dental clinics, as well as reimbursement of medical fees and hospital charges.

Data sources: Latest figures from the Civil Service Bureau and Financial Services and the Treasury Bureau.

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