



Retirement of civil servants

Figure 1 – Number of retired civil servants

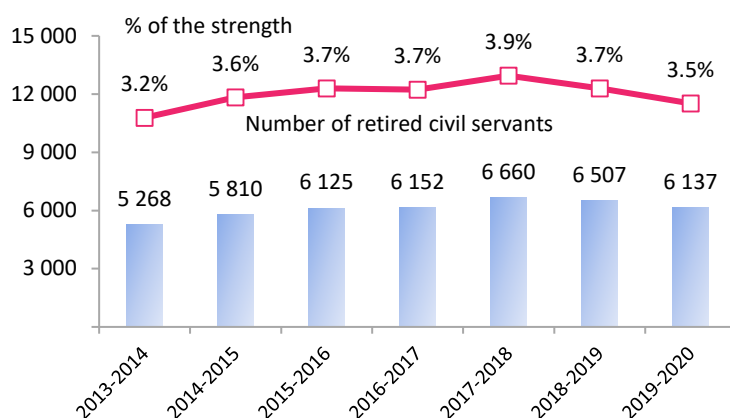


Figure 2 – Number of eligible civil servants opting for extended service in selected bureaux/departments

Bureau/Department	Number of eligible civil servants	Number opting for extended service	Proportion (%)
Hong Kong Police Force	11 539	9 744	84.4
Fire Services Department	4 177	3 865	92.5
Food and Environmental Hygiene Department	3 922	3 563	90.8
Leisure and Cultural Services Department	3 110	2 637	84.8
Immigration Department	2 737	2 494	91.1
Housing Department	2 608	2 255	86.5
Others	28 195	22 419	79.5
Total	56 288	46 977	83.5

Figure 3 – Number of eligible civil servants opting for extended service by pay scale

Pay scale	Number of eligible civil servants	Number opting for extended service	Proportion (%)
Model Scale 1 Pay Scale	1 960	1 911	97.5
Pay scales related to disciplined services grades	20 987	18 648	88.9
Master Pay Scale	33 173	26 330	79.4
Directorate/Directorate (Legal) Pay Scale	168	88	52.4
Total	56 288	46 977	83.5

Highlights

- Over the past seven years, the annual number of retired civil servants has increased by a total of 16% to 6 137 in 2019-2020 (Figure 1). As a percentage of the civil service strength, the share also edged up from 3.2% in 2013-2014 to 3.5% in 2019-2020. Retirement is the primary reason for the wastage of civil servants, accounting for 74% of departing civil servants in 2019-2020, followed by resignation (19%) and completion of agreement (5%).

- A majority of serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 ("eligible civil servants") will reach their retirement age by 2030-2040. In view of impending labour shortage amidst ageing trend in society, the Government offered an option in July 2018 to all eligible civil servants to extend the retirement age, from 60 to 65 for those in civilian grades, and from 55 to 60 for those in disciplined services grades. Response seems to be satisfactory, with 46 977 or 83.5% of eligible civil servants opting for extension of retirement age upon the end of the option period (Figure 2).

- Analyzed by pay scale, eligible civil servants on Model Scale 1 Pay Scale (e.g. Workman I/II) registered the highest proportion in extension of retirement age, reaching 97.5% (Figure 3). This contrasts against the respective proportion of 52.4% for higher-paid directorate staff. According to the Government, junior staff generally wish to stay in the workforce for a longer period of time. For the civil servants in disciplined services grades, they also had a high propensity to extend the retirement age from 55 to 60, with an opting rate of almost 90%.

Retirement of civil servants (cont'd)

Figure 4 – Number of full-time PRSC staff in selected bureaux/departments (30 June 2020)

Bureau/Department	Number of applications received	Number of full-time PRSC staff	Proportion (%)
Hong Kong Police Force	1 506	676	44.9
Electrical and Mechanical Services Department	983	329	33.5
Department of Health	719	281	39.1
Food and Environmental Hygiene Department	863	268	31.1
Immigration Department	1 157	253	21.9
Customs and Excise Department	622	207	33.3
Others	12 472	2 228	17.9
Total	18 322	4 242	23.2

Figure 5 – Number of public and judicial service pensioners

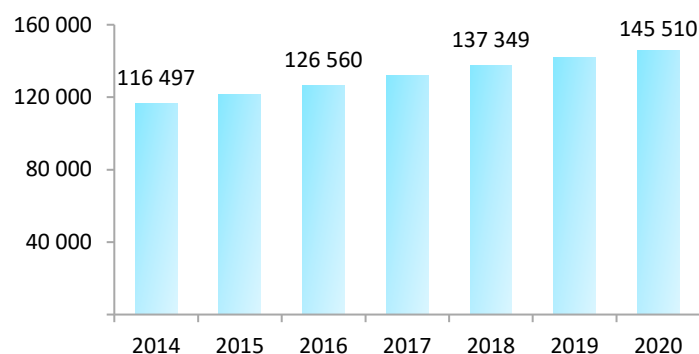
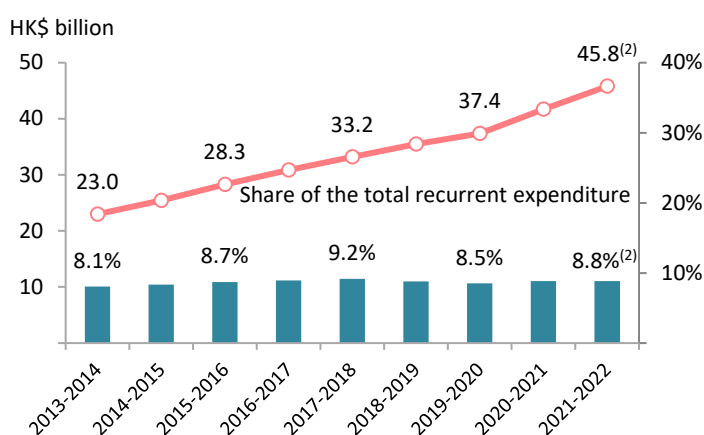


Figure 6 – Recurrent expenditure of pension payments⁽¹⁾



Notes: (1) Including lump sum pension gratuity and monthly pension.
(2) Estimate.

Highlights

- In November 2015, the Government launched the Post-retirement Service Contract ("PRSC") Scheme, allowing Heads of Department/Grade to employ retired/retiring civil servants on contract terms to meet the operational and succession needs. By mid-2020, a total of 4 242 full-time PRSC staff were employed for a term not exceeding three years (**Figure 4**), representing 23% of total applications received.
- On retirement protection, those civil servants appointed before July 1987 are entitled to Old Pension Scheme, and those appointed between July 1987 and May 2000 are entitled to New Pension Scheme. For judicial officers, there is also the Judicial Officers Scheme. All these pension schemes are statutory and non-contributory. By end-2020, there were altogether 145 510 retired pensioners under the above three schemes (**Figure 5**). For serving officers in civil service and judicial service, just about 67 000 are still covered by these pension schemes by now, while the rest of permanent civil servants are covered by the Civil Service Provident Fund Scheme ("CSPFC"), with contributions made by the Government throughout the service of the civil servants. The financial commitment of CSPFC to the Government is within 18% of the salary cost.
- With increasing number of pensioners, the recurrent expenditure of pension payments has surged by 99% in eight years to HK45.8 billion in 2021-2022, representing 8.8% of total recurrent government expenditure (**Figure 6**). In the unlikely event that the Government cannot meet its pension obligations from the General Revenue Account, the pension payment could be made from the Civil Service Pension Reserve Fund, which is maintained at a level not less than the estimated pension expenditure in one year.

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

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