

Legislative Council Panel on Public Service
Prevention of Double Benefits in the Civil Service

Introduction

This paper sets out the Government's policy on the prevention of double benefits in the civil service and its implementation.

Policy

2. The provision of civil service fringe benefits is governed by an officer's terms of appointment, rank, salary point and other eligibility rules. The policy on the prevention of double benefits was introduced in 1981 as an integral part of the then new initiative of granting equal eligibility for fringe benefits to married female officers as married male officers.¹ It is applied to three civil service fringe benefits, namely housing, education allowances and passage allowances (as elaborated in paragraphs 4 to 10 below). The key consideration underlying this policy is that these fringe benefits are provided for specific purposes. Thus an officer's need in a specific area should have been met if he/she is in receipt of the relevant benefit regardless of whether it is provided by his/her employer (i.e. the Government) or by the employer of his/her spouse. Another consideration is the prudent use of public resources.

3. The policy on the prevention of double benefits was modified in 2000 with regard to the granting of two fringe benefits, namely housing and leave passage allowances, in the context of the introduction of a new remuneration package, which is applied to officers who are offered appointment with effect from 1 June 2000.² In gist, the

¹ The financial implications of the new initiative were approved on 28 October 1981 by the Finance Committee of the Legislative Council, which also took note of the prevention of double benefits policy.

² The new remuneration package was introduced as part of the Civil Service Reform. The financial implications of the new package were approved by the Finance Committee of the Legislative Council on 26 May 2000.

new package includes, amongst other things, new leave earning and accumulation rates, new leave passage arrangements and a new housing benefit scheme. The new housing and leave passage fringe benefits are formulated on the basis of a 'total remuneration' approach in line with private sector practice. They are, accordingly, de-linked from the marital status of eligible officers. Without this linkage, the rules on the prevention of double benefits are no longer fully applicable.

Implementation

(a) General

4. For the purpose of implementing the prevention of double benefits policy, where an officer is eligible for the relevant civil service benefits and where his/her spouse – whether employed in the civil service, or in a publicly-funded organisation (PFO), or in the private sector – is also eligible for similar benefits under the spouse's terms of employment, the officer is required to opt either to take advantage of the benefits under his/her own terms of employment or those of his/her spouse. The option can be changed at any time if the officer and his/her spouse so wish.

(b) Housing

5. Those officers who were offered appointment to the civil service before 1 June 2000 and are eligible for housing benefits (which may take the form of non-departmental quarters, private tenancy allowance, housing loan scheme, home purchase scheme, home financing scheme, etc.) are subject to the following rules to prevent the grant of double benefits -

- (a) an officer will not be granted any civil service housing benefits if he/she or his/her spouse is receiving any public housing benefits;
- (b) an officer and his/her spouse may not receive more than one housing benefit at any one time, irrespective of whether the benefit is provided by the Government, or by a PFO, or by a private employer; and
- (c) once an officer or his/her spouse has received a housing benefit from the Government or a PFO to achieve home ownership, both of them will forfeit their entitlement to all

other forms of civil service housing benefits. The officer in such cases may only apply to join a home purchasing scheme and the length of his/her entitlement period will be reduced by subtracting the period of housing assistance already drawn by him/her and his/her spouse.

6. Some of these restrictions have been relaxed for those officers offered appointment with effect from 1 June 2000 who are eligible for a non-accountable cash allowance, the new housing benefit scheme introduced under the new remuneration package. With the de-linkage of the provision of this benefit from the marital status of eligible officers, as explained in paragraph 3 above, rules under paragraph 5(a) and (b) no longer apply to these officers. While the forfeiture rule under paragraph 5(c) still remains in force, an officer whose eligibility for the non-accountable cash allowance has not been forfeited may receive the allowance for the full entitlement period (i.e. 10 years) even if his/her spouse has received her/his full entitlement of housing benefits provided by the Government or a PFO.

(c) Education Allowances

7. Those officers who were offered appointment before 1 August 1996 and who are on probation, or have been confirmed to the permanent and pensionable establishment, or are on agreement terms, are eligible for Overseas Education Allowance. However, the allowance will only be granted to such an officer provided his/her spouse is not in receipt of similar benefits under the spouse's terms of employment.

8. Those officers who were offered appointment before 1 June 2000 and who are on probation, or have been confirmed to the permanent and pensionable establishment, or are on agreement, or on temporary terms of service who are remunerated from Personal Emoluments votes or on Model Scale 1 Pay Scale, are eligible for Local Education Allowance. However, the allowance will only be granted to such an officer provided his/her spouse is not in receipt of similar benefits under the spouse's terms of employment.

(d) Passage Allowances

9. Those officers who were offered appointment to the civil service before 1 June 2000 and are eligible for passage allowances (consisting of an accountable leave passage allowance (LPA) for themselves, their spouse and their dependent children; and an accountable

school passage allowance (SPA)³ for their dependent children) are subject to the following rules to prevent the grant of double benefits –

- (a) an officer and his/her spouse may not receive more than one leave passage benefit at any one time, irrespective of whether the benefit is provided by the Government, or by a PFO, or by a private employer; and
- (b) an officer's dependent child may not receive leave and school passage benefits if the child has received similar benefits provided under the terms of employment of his/her other parent/step-parent.

10. The rule at paragraph 9(a) above does not apply to those officers offered appointment with effect from 1 June 2000 and are eligible for leave passage allowance (which takes the form of a non-accountable allowance). This is because of the de-linkage of the provision of this benefit under the new remuneration package from the marital status of eligible officers, as explained in paragraph 3 above. And in line with the principle of de-linkage from the marital status, this fringe benefit (i.e. non-accountable leave passage) is not provided to their spouse. The rule at paragraph 9(b) above also does not apply to officers offered appointment with effect from 1 June 2000 because leave and school passage allowances are not provided to their dependent children.

Enforcement

11. Officers applying for civil service fringe benefits are required to state whether they and their spouse (and dependent children in respect of education and passage allowances) have received/are receiving similar benefits, as appropriate, and to declare that the information stated is true and correct. They are also required to report to the approving authorities any subsequent change in circumstances (e.g. housing benefits recipients have to report within 60 days any change in marital information) to facilitate the authorities to assess whether their eligibility for the benefits has been affected.

12. For education and passage allowances, in addition to a civil

³ SPA, which is to subsidise officers' expenses on transportation of their eligible children to and from the place of study outside Hong Kong, has ceased to be provided to officers appointed on or after 1 August 1996.

servant applicant's self-declaration, the approving authority checks whether the applicant's eligible family members are already in receipt of civil service benefits of the same nature. For housing benefits, in view of the more significant financial implications involved, the approving authorities conduct checks not only on the civil service records but also verify the information from relevant bodies (e.g. the employer of the applicant civil servant's spouse) as appropriate.

13. Officers who fail to comply with the rules on the prevention of double benefits will be required to refund the Government the benefits overpaid to them with interest; and be subject to disciplinary actions as appropriate. Depending on the gravity of the case, they may also be subject to legal proceedings.

Conclusion

14. We have been strictly enforcing the policy on the prevention of double benefits, as modified in 2000, in the civil service and will continue to do so.

Civil Service Bureau
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