

Information Note for Finance Committee, Legislative Council

Remuneration Packages for the Directors of Bureau and the Chief Justice

At the meeting of the Finance Committee on 18 June 2012 to discuss the re-organisation of the Government Secretariat, members asked for information about the remuneration packages for the Directors of Bureau (DoBs) and the Chief Justice (CJ). This note provides the relevant information.

2. The levels of cash remuneration for the DoBs and other politically-appointed officials (PAOs)¹ are not linked to civil service salaries or judicial remuneration.

3. As approved by the Chief Executive (CE)-in-Council in May 2008, judicial remuneration is determined according to a mechanism separate from that of the civil service. Specifically, judicial remuneration is determined by the CE-in-Council after considering the recommendations of the independent Standing Committee on Judicial Salaries and Conditions of Service².

4. In accordance with their terms of appointment, Judges and Judicial Officers are entitled to a range of benefits and allowances in addition to salary. The scope of their benefits and allowances is largely similar to that available in the civil service, with some adaptations having regard to the unique characteristics of the judicial service.

¹ The cash remuneration for DoBs is the benchmark for determining the levels of cash remuneration for other PAOs.

² The mechanism comprises an annual review and a regular benchmark study which seeks to check whether judicial pay is kept broadly in line with the movements of legal sector earnings over time.

5. On the other hand, the remuneration package for the DoBs was formulated in 2002 having regard to the findings and recommendations of an independent consultant commissioned by the Administration. The consultant surveyed the remuneration packages of 56 Chief Executive Officers and recommended that the median level of their total compensation (\$6,658,000 per annum) should be used as the reference point. The Administration considered that the median level of their total direct compensation (i.e. total remuneration of \$6,658,000 per annum less the elements relating to retirement benefits or end of contract gratuity payments or \$6,045,000 per annum) was a better reference point. The Administration noted that the range of cash remuneration recommended by the consultant (\$3,662,000 to \$3,995,000 per annum) represents a discount of 34% to 39% of the reference point of \$6,045,000 per annum. Subsequently, the Administration made a decision to cap the total cost to the taxpayer for the DoBs under the Political Appointment System at the total weighted average cost to the taxpayer of the substantive civil servants at DoB (D8) rank back then.

Remuneration Package for the CJ

6. For 2011-12, the salary for the holder of the office of the CJ is \$251,950 per month (or \$3,023,400 per annum). In addition to salary, he/she is eligible for other benefits and allowances, including:

- (a) pension benefits;
- (b) an official residence and an annual non-accountable entertainment allowance of \$320,000;
- (c) medical and dental benefits;
- (d) an annual leave passage for him/her, his/her spouse and dependent children (if any) respectively; and

(e) annual leave of 55.5 days per annum.

Remuneration Package for the DoBs

7. The cash remuneration as approved by the Finance Committee in 2002 for the DoBs is \$298,115 per month (or \$3,577,380 per annum). In addition to cash remuneration, the DoBs are eligible for other benefits, including annual leave of 22 days per annum, medical and dental benefits (on the same basis as those provided to civil servants during the term of their employment) (estimated to be \$10,020 per annum), and Mandatory Provident Fund contribution by the Government (\$15,000 per annum) during their term of office. The DoBs and all other PAOs are not entitled to any allowance, end-of-contract gratuity or pension benefits.

Constitutional and Mainland Affairs Bureau
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