

## LEGISLATIVE COUNCIL BRIEF

### 2018-19 CIVIL SERVICE PAY ADJUSTMENT

#### INTRODUCTION

At the meeting of the Executive Council on 12 June 2018, the Council **ADVISED** and the Chief Executive (CE) **ORDERED** that civil service pay should be adjusted for 2018-19 in accordance with the pay offers made to the staff side of the four central consultative councils<sup>1</sup>, viz. with retrospective effect from 1 April 2018 –

- (a) a pay increase of **4.06%** (equals to the net pay trend indicator (PTI) for the upper salary band) for civil servants in the upper salary band and the directorate, subject to the pay points referred to in (i) and (ii) below the dollar values of which should be as specified –
  - (i) Master Pay Scale (MPS) 34 at \$70,590; and
  - (ii) General Disciplined Services (Officer) Pay Scale (GDS(O)) 20 and Police Pay Scale (PPS) 36 at \$70,470, and GDS(O) 21 and PPS 37 at \$70,970;
- (b) a pay increase of **4.51%** (equals to the net PTI for the middle salary band) for civil servants in the middle salary band; and
- (c) a pay increase of **4.51%** (equals to the net PTI for the middle salary band) for civil servants in the lower salary band, by invoking the “bring-up” arrangement<sup>2</sup>.

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<sup>1</sup> The four central consultative councils are the Senior Civil Service Council (SCSC), the Police Force Council, the Disciplined Services Consultative Council and the Model Scale 1 Staff Consultative Council.

<sup>2</sup> The “bring-up” arrangement refers to the arrangement to align the pay adjustment for civil servants in the lower salary band with the net PTI for the middle salary band if the latter is higher than the net PTI for the lower salary band. This arrangement has been applied a number of times since 1989 upon the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters (1988 Committee of Inquiry).

2. Independent Commission Against Corruption (ICAC) staff are not civil servants. However, in accordance with the Government's established policy, the annual civil service pay adjustment will also be extended to them.

## **JUSTIFICATIONS**

### **(A) Staff Side's Response to Pay Offers**

3. In accordance with the CE-in-Council's decision made on 5 June 2018, the pay offers set out in paragraph 1 above have been made to the staff side of the four central consultative councils. The staff side's response to the pay offers are at **Annexes A to D**<sup>3</sup>. In gist -

A to D

- (a) the staff side are deeply disappointed with the pay offers; they maintain and urge the Government to accept their pay claims for an increase of 5% or more. They are of the view that the Government, by mechanically adopting the net PTIs, has not taken into account all the relevant factors<sup>4</sup> in the established annual civil service pay adjustment mechanism (established mechanism). They have expressed that they are demoralised because the Government has refused to share the fruits of Hong Kong's economic success more with civil servants, who have contributed in no small part to the stability and prosperity of Hong Kong all along, as a morale booster;
- (b) the staff side are also disappointed that the Government has not made any adjustment to the deduction of payroll cost of increments (PCIs) arrangement. They reiterate their concern over the high PCIs especially the PCIs for the lower salary band at an all-time high of 2.05%. They are worried that, with the increased intake of civil servants, the rising trend of PCIs will linger and erode the annual civil service pay adjustment even more in the coming exercises. They request the Government to commit firmly to changing the PCIs deduction arrangement. In the interim, stop-gap measures such as "top-up" pay rise, discounting or even putting a cap on the PCIs deduction, should be considered;
- (c) while welcoming the "bring-up" arrangement, the staff side representing the lower salary band request that it should be made a policy and should be invoked automatically whenever the net PTI for the lower salary band is lower than that for the middle salary band. That would give the staff side more certainty than the current

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<sup>3</sup> The Association of Expatriate Civil Servants of Hong Kong, one of the three constituent associations of the SCSC, has not provided response to the pay offers.

<sup>4</sup> These factors are the net PTIs, state of Hong Kong's economy, changes in the cost of living, the Government's fiscal position, the pay claims of the staff side and civil service morale.

practice whereby the “bring-up” arrangement is to be considered by the CE-in-Council in each annual exercise; and

- (d) the staff side consider the application of a pay lead of \$500 between the lowest pay point of the upper salary band and the highest pay point of the middle salary band on the relevant pay scales<sup>5</sup> unreasonable. With no justification given on how the pay lead of \$500 has been decided, the staff side are concerned that it would further distort the internal relativities among the relevant pay points.

**(B) The Government’s Views**

4. Our views on the arguments put forward by the staff side are set out below –

- (a) the CE-in-Council has taken into account all the relevant factors under the established mechanism in deciding the pay offers, including the pay claims of the staff side and civil service morale;
- (b) the validated result of the 2018 Pay Trend Survey (PTS) has objectively measured the year-on-year pay adjustment of 112 surveyed companies from the major economic sectors;
- (c) the PCIs deduction arrangement together with the inclusion of private sector in-scale increment and merit pay in the computation of the gross PTIs have been implemented since 1989 on the recommendation of the 1988 Committee of Inquiry. The 1988 Committee of Inquiry considered that, if private sector in-scale increment and merit pay were to be included in the PTS, the PCIs should be deducted for fairness. Since the private sector still offers merit pay to its employees, there is no strong grounds to cease the PCIs deduction arrangement. Nevertheless, the Government will take active steps to look into the issue of PCIs deduction and explore if there are other feasible options. We will maintain our close dialogue with the staff side in this regard;
- (d) while noting the staff side’s request that the “bring-up” arrangement should be invoked automatically whenever the lower salary band’s net PTI is lower than the middle salary band’s, the determination of the annual civil service pay adjustment (including whether to invoke the “bring-up” arrangement) remains a prerogative of the CE-in-Council upon consideration of all the relevant factors under the

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<sup>5</sup> The \$500 pay lead is applicable between MPS 34 and 33; GDS(O) 21 and 20, 20 and 19; and PPS 37 and 36, 36 and 35. As it is the Government’s policy to extend the annual civil service pay adjustment to ICAC staff, the pay lead will also be applied between the equivalent pay points on ICAC Pay Scale (between points 28 and 27).

established mechanism. As for the current pay adjustment, the CE-in-Council decided to invoke the arrangement having regard to the specific circumstances of the year; and

- (e) the one-off adoption of a \$500 pay lead between the relevant pay points at the bottom of the upper salary band and the top of the middle salary band aims at rectifying the pay lead anomaly which occurs when we apply the net PTIs for the upper and middle salary bands to the pay scales directly<sup>6</sup>. The decision has been made after balancing all relevant factors.

5. Having considered the staff side's response to the pay offers and after taking into account all the relevant factors under the established mechanism, the CE-in-Council has decided that civil service pay for 2018-19 should be adjusted in accordance with the pay offers made (including the specification of the dollar values of the pay points mentioned in paragraph 1(a)(i) and (ii) above, and the "bring-up" arrangement for the lower salary band).

## **IMPLICATIONS**

6. The Basic Law, financial, economic and family implications of the decision on the 2018-19 civil service pay adjustment are the same as those set out in the Legislative Council Brief on this subject issued on 5 June 2018. The decision has no environmental, productivity, sustainability or gender implications.

## **PUBLICITY**

7. The Secretary for the Civil Service has informed the staff side of the decision on the 2018-19 civil service pay adjustment today (12 June 2018). A press release will be issued and a spokesperson will be available to handle media enquiries. We will brief the Legislative Council (LegCo) Panel on Public Service on 15 June 2018 and seek the approval of the Finance Committee of the LegCo hopefully before LegCo's summer recess.

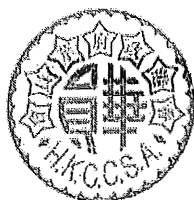
## **ENQUIRIES**

8. Enquiries on this brief should be addressed to Mr Benjamin MOK, Principal Assistant Secretary for the Civil Service (Tel: 2810 3112).

**Civil Service Bureau**  
**12 June 2018**

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<sup>6</sup> By applying the net PTIs directly, the pay lead between the lowest pay point of the upper salary band and the highest pay point of the middle salary band on MPS will be -\$90 while that for both GDS(O) and PPS will be \$30.



香港政府華員會

HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION

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香港特別行政區政府  
公務員事務局局長  
羅智光先生

尊敬的羅局長：

### 高中低層公務員應劃一薪調 5%

謝謝您 2018 年 6 月 5 日的來信，告知行政長官會同行政會議向中央評議會職方提出 2018-19 年度公務員薪酬調整建議：高層薪金級別調整幅度為 4.06%，中、低層為 4.51%。

就此，本會認為：

#### (1) 各級公務員未允分享經濟成果有欠公允

僅跟隨薪酬趨勢指標給予公務員高層薪金級別 4.06%及中、低層薪金級別 4.51%薪調增幅，顯示政府未有允許他們分享經濟成果；此舉實際亦偏離了現行公務員薪酬調整機制過往一直強調，薪酬趨勢淨指標不是唯一、凌駕性的參照因素。

政府此舉既有違現行公務員薪酬調整機制在 1974 年設立的初衷，公務員得分享/分擔經濟的起伏，這亦背離了早在 1982 年 12 月，公務員薪俸及服務條件常務委員會在它的《第 9 號報告書》(《公務員薪俸政策第 2 號報告書》)確認的原則：“繁榮的果實公務員倘若未能分享，未免有欠公允”。

事實上，正值社會日趨泛政治化下，公務員之工作日益繁重及複雜，政府此舉恐將難以進一步提振公務員的士氣。

#### (2) 薪酬趨勢指標被拉低而沒有適當的調整殊不合理

“問題公司”漏報獎金，令中、低層的薪酬趨勢指標被拉低，而公務員遞增薪額開支因退休高峰潮而飆升，亦拉低了薪酬趨勢指標。但政府並沒有在薪酬調整中考慮這些特殊因素而作出調整，並不合理；有悖公務員薪酬調整機制確立至今顧及實時多種特殊因素的做法。

#### (3) 高層薪點設定於 70,590 元繼續扭曲薪點差距

政府此次指令“總薪級表第 34 點為 70,590 元”，但完全沒有交代限定此金額的理據何在。其實此規定並不合理，將繼續進一步扭曲薪點之間的內部對比關係。

現行總薪級表第 33 薪點(67,065 元)晉升至屬高層薪金級別的第 34 薪點(因去年政府限定為 67,270 元)相差額只有 205 元；而在今年政府設定第 34 薪點為 70,590 元的限制下，繼續扭曲了薪點 33、34 及 35 的差距，如下表：

總薪級表薪點 33 至 35 之間的差距被扭曲

總薪級表薪點	薪金(\$)	差距(\$)
中層 33 點	70,090	與 32 薪點相差 3,145
高層 34 點	政府今次指令設定為： 70,590	與 33 薪點相差 500(被扭曲的差距)
高層 35 點	71,520	與 34 薪點相差 930(被扭曲的差距)
高層 36 點	74,830	與 35 薪點相差 3310

#### (4) “低跟中”的安排一向為薪調機制內不可或缺的組成部分

局長在來信時聲稱“向低層薪金級別公務員提出「調高」安排的薪酬調整方案，令低層的調整幅度看齊的做法，是一次性安排，不會成為先例”。

本會必須再次強調：自前港英政府接受了 1988 年仲裁委員會的建議，由 1989 年起，若薪酬趨勢調查結果顯示，低層薪金級別的薪酬趨勢淨指標低於中層，則會調高至與中層同一水平(即所謂“低跟中”的安排)，除非另有強而有力的理由。這做法除顯示政府為一良好僱主，亦一定程度上起到了避免高、中、低層公務員的薪酬差距過於擴大的作用。這早已成為公務員薪酬調整機制的不可或缺的部分，並不會因政府例必考慮當年公務員薪酬調整的決定而改變。貴局所言實際上偏離了現行公務員薪酬調整機制。

#### (5) 誠望政府認真考慮本會意見及反建議

鑑此，本會衷心希望政府認真考慮本會上述意見。茲向政府提出反建議：2018-19 年度高、中、低層公務員的薪酬調整幅度應劃一為 5%。

此外，全職非公務員合約制員工在各局/部門與公務員團隊並肩努力，本會尚祈政府採取措施，一併上調他們的薪酬，以提升他們的士氣及挽留有經驗人員，亦可有利於促進他們與公務員的團隊協作精神。

會長



謹啟

(利葵燕)

2018 年 6 月 7 日



# 香港高級公務員協會

**Hong Kong Senior Government Officers Association**

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7 June 2018

Mr. LAW Chi-kong, Joshua, GBS, JP  
Secretary for the Civil Service  
9/F, West Wing  
Central Government Offices  
2 Tim Mei Avenue  
Tamar, Hong Kong

Dear Mr LAW,

## **2018/19 Civil Service Pay Adjustment**

Thank you for your letter of 5 June 2018 informing us the pay offers made by the Chief Executive-in-Council (CE-in-Council) to the Staff Side.

We are disappointed that the pay offers are exactly the same as the net Pay Trend Indicators (PTIs) which suggests that the CE-in-Council has disregarded all the factors we mentioned in our pay claim letter of 25 May 2018, including the other five factors namely: the prosperity of Hong Kong's economy; changes of in the cost of living; the Government's healthy fiscal position; pay claims of the Staff Sides; and civil service morale. In particular, no account has been taken of the distortion of the net PTIs caused by the abnormal high payroll cost of increments due to retirement boom and augmentation of the civil service establishment; the shortcomings of the present annual pay adjustment mechanism, the civil servants that have already reached their maximum pay points for many years, and the importance of maintaining and enhancing the morale of staff who are facing heavy workload and pressure.

There remains a long overdue of reviewing the existing deficiencies in the mechanism of the annual pay adjustment for civil servants. The mechanism has not been reviewed since 1988 whilst the private market has indeed changed over the last some 30 years. We urge the Administration to set up a Task

Force involving staff side to review the existing civil service annual pay adjustment mechanism and to recommend an improved mechanism and/or remedial proposals. This is to ensure that the annual pay adjustment is regarded as fair by the civil servants.

On behalf of the Hong Kong Senior Government Officers Association, we would like to reiterate our earlier pay claim that the civil service pay adjustment for the upper salary band for 2018/19 should be not less than 5%. We earnestly hope that the CE-in-Council can, in consideration of our response, re-consider its pay offer decision and make an improved offer to uphold the morale of the Senior Civil Servants and the stability of the Civil Service.

Yours sincerely,



(Wong Hung-lok, Steven)  
Chairman

Hong Kong Senior Government Officers Association



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協會檔號 OUR REF: CP PER SS C/4-85/1

來件編號 YOUR REF: CSBCR/PG/4-085-001/80

6 June 2018

The Hon. LAW Chi-kong, Joshua, GBS, JP  
Secretary for the Civil Service,  
9/F., West Wing, Central Government Offices,  
2 Tim Mei Avenue, Tamar,  
Hong Kong

Dear Mr. LAW,

### 2018-19 Civil Service Pay Adjustment

This letter sets out the Police Force Council Staff Side' (PFC SS) response to the pay offer made to us in your letter dated 5 June 2018.

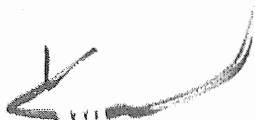
The PFC SS are disappointed that the pay offer made by the Government this year is once again basically a copy of the Pay Trend Indicators (PTIs) figures, which is a step backward from the previous year that other non-PTI pay factors could be seen to have some impact, however minor they maybe. We reiterate that it is essential the Government shall take into full account all relevant pay factors (including the state of Hong Kong's economy, changes in the cost of living, the Government's fiscal position, the pay claims of the staff sides and civil service morale) for determining the annual pay adjustment of the civil service. A comprehensive review shall also be conducted to reform the current pay mechanism, with a platform where all relevant pay factors shall be discussed between the Staff Side and the Government.

The PFC SS also note that the payroll costs of increments have again been deducted from the figures of the civil service pay adjustments in the pay offer. We are deeply disappointed that this outdated practice has continued for another year. We reiterate our request that the Government shall cease this unfair practice

immediately, and interim measures shall be introduced to mitigate its negative effects if immediate cessation is not currently available.

With all pay factors fully taken into account, and with the cessation of deduction of payroll costs of increments, the PFC SS maintain that an across-the-board increase of 6.5% shall be appropriate for this year's civil service pay adjustment. We sincerely hope that the CE-in-Council will consider our above response when coming to a final decision.

Yours sincerely,




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Patrick KWOK  
Chairman  
SPA



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Wilkie NG  
Chairman  
HKPIA



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Ronald ABBOTT  
Chairman  
OIA



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Ray LAM  
Chairman  
JPOA

c.c. Commissioner of Police



紀律部隊評議會(職方)  
Disciplined Services Consultative Council  
(Staff Side)

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來函編號：CSBCR/PG/4-085-001/80

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公務員事務局局長  
羅智光先生, GBS, JP

羅局長：

二零一八至一九年度公務員薪酬調整

紀律部隊評議會(職方)就 2018 年 6 月 5 日的來信，信中提出了 2018 至 2019 年度公務員薪酬調整方案，下稱(薪酬調整方案)，意見如下：

薪酬調整方案仍與紀評(職方)的要求有很大落差，紀評(職方)感到極度失望。政府只單純依從薪酬趨勢淨指標來決定 2018 至 2019 年度的公務員薪酬調整，而沒有顯示曾考慮及回應薪酬機制內的其他五項因素。政府更未有把握年度良好的經濟環境、雄厚的財政儲備，以及各項利好的數據，來讓過往曾與政府共渡時艱的公務員分享豐碩的經濟成果和進一步提升公務員(尤其是紀律部隊人員)的士氣，令員方感到不受重視。再者；政府並未順應職方的要求就沿襲多年而過時的扣減遞增薪額開支作出改變，紀評(職方)感到非常不滿。

另外，薪酬調整方案應該是要照顧及考慮所有同事的安排，否則就只有造成級別的分化，紀評(職方)藉此指出，向低層薪金級別公務員提出引用「調高」的安排已是恆常化並沿用多年，並不是如你來信中所表述的一次性安排。

紀律部隊評議會(職方)主席

蘇秋明

二零一八年六月七日

政府飛行服務隊機師工會  
Government Flying Service  
Pilots' Union

政府飛行服務隊空勤主任協會  
Government Flying Service  
Aircrewman Officers Association

政府飛行服務隊飛機工程師會  
Government Flying Service  
Aircraft Engineers Association

政府飛行服務隊飛機技術員工會  
Government Flying Service  
Aircraft Technicians Union

懲教事務職員協會(高級組)  
Correctional Services  
Officers' Association  
(Senior Section)

懲教事務職員協會(初級組)  
Correctional Services  
Officers' Association  
(Junior Section)

香港海關官員協會  
Association of Customs &  
Excise Service Officers

香港海關關員工會  
Hong Kong Customs  
Officers Union

香港消防控制組職員會  
Hong Kong Fire Services  
Control Staff's Union

香港消防處救護員會  
Hong Kong Fire  
Services Department  
Ambulancemen's Union

香港消防處救護主任協會  
Hong Kong Fire Services  
Department Ambulance  
Officers Association

香港消防主任協會  
Hong Kong Fire Services  
Officers Association

香港消防處職工總會  
Hong Kong Fire Services  
Department  
Staffs General Association

香港入境事務助理員工會  
Hong Kong Immigration  
Assistants Union

入境事務主任協會  
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Officers Association

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第一標準薪級公務員評議會(職方)  
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本函檔號: SSMOD/SAL/PAY/5/7/1 Pt.27  
來函檔號: CSBCR/PG/4-085-001/80

香港添馬添美道 2 號  
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公務員事務局局長  
羅智光先生

羅局長:

二零一八至一九年度公務員薪酬調整

局方在 2018 年 6 月 5 日的來信收悉。本會職方的意見如下:

行政長官會同行政會議建議於 2018-19 年度低層薪金級別公務員加薪 4.51%，比我們建議不少於 5% 為低，不能達到我們的預期，我們感到非常失望。

本港經濟自去年起開始轉強，而政府近年的財政狀況亦十分充裕，因此政府應該讓公務員共享經濟成果。此外，第一標準薪級公務員屬於單一職級職系，並沒有可供晉升的職級，而且他們屬基層員工，本年度的薪酬調整只能夠讓他們跟上一般的生活水平。

此外，正如我們在 2018 年 5 月 25 日的信中所強調，「調高」安排是現行機制內不可缺少的一部分。這安排是公務員薪酬調整及有關事宜調查委員會在 1988 年的報告中作出的建議。政府作為良好的僱主，應將這安排納入現行機制內，以免低層和中層薪金級別薪酬調整的差距加劇，以維持低層薪金級別公務員的士氣。

我們亦重申，扣減公務員遞增薪額開支的安排需要作出檢討，近年大量新入職的公務員導致整體（尤其是低層薪金級別）遞增薪額開支持續攀升，對已達頂薪點的同事並不公平，因此我們希望政府盡快檢討有關安排，讓同事能獲得合理的薪酬調整。

第一標準薪級公務員評議會

職方主席林榮松



2018 年 6 月 7 日

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