

18. In practice, the payment of more than one job-related allowance for the same job is not widespread, but, in principle, it is necessary to decide whether claims for multiple allowances should continue to be dealt with on the merits of individual cases, or whether a ceiling, either in terms of number or in dollar value, should be set, as in the case of a consolidated overtime allowance.

#### Views Sought

19. The Commission would welcome views and suggestions on the following points : -

- (a) Should the present practice of paying multiple allowances be continued?
- (b) Should there be a limit to the number of different allowances which may be paid simultaneously to an officer for a particular job?
- (c) Should there be a limit to the proportion of total remuneration represented by allowances as opposed to basic pay?

#### (e) Effective Date of Payment

20. The existing practice is that the payment of an allowance should normally not precede the authority for its payment, i.e. the grant of an allowance should be effective from a 'current date'. This is widely accepted as a standard rule for newly approved allowances. However, in the case of an extension of an existing allowance to a new group of staff who claim that they have been performing work warranting the allowance for some time, the question whether or not the payment of the allowance should be back-dated often arises. The Commission would welcome views and suggestions on whether the existing arrangements regarding the effective date of payment of job-related allowances are still applicable, and whether changes are necessary. The Commission would be particularly interested in the views on whether existing allowances, when being extended to another group of staff, should be effective from a current date.

#### (f) Control of Payment

21. At present, all policy issues concerning allowances are dealt with centrally by the Government Secretariat. Routine approvals and decisions within existing policy are dealt with by the Civil Service Branch. Proposals for new allowances, revised eligibility criteria and most revision of rates of non-standard allowances have to be referred to the Finance Committee of the

Legislative Council. The day-to-day processing i.e. the application and payment of allowances is delegated to departments. The Commission would welcome views on whether the overall administration of allowances should, as at present, be centralised in the Government Secretariat, or whether there should be more delegation to departments.

(B) INDIVIDUAL JOB-RELATED ALLOWANCES UNDER REVIEW

(a) Extraneous Duties Allowances

Present Position

22. Extraneous Duties Allowances are paid to compensate staff for performing duties other than those normally shouldered by members of an officer's rank or grade. They are sub-divided into two categories depending on whether the duties carry greater responsibility than those normally performed by officers of the rank or grade concerned or are simply additional.

23. The first category is the Extraneous Duties Allowance (Supplementary Duties) which is paid for duties of a kind not normally performed by members of the officer's grade. There are three separate levels of payment in accordance with the different degrees of skill required : -

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| Level 1 - supplementary duties or additional responsibilities requiring little or no special skill                            | - 5% x Point 1 of the Master Pay Scale (\$85 per month)    |
| Level 2 - supplementary duties or additional responsibilities requiring some skill or the passing of a test                   | - 7.5% x Point 1 of the Master Pay Scale (\$128 per month) |
| Level 3 - supplementary duties or additional responsibilities requiring specialised skills or the passing of an advanced test | - 10% x Point 1 of the Master Pay Scale (\$170 per month)  |

24. The second category is the Extraneous Duties Allowance (Responsibility) which is paid for additional work or responsibility where the grant of acting pay is not appropriate. The average monthly rates for this allowance vary from \$100 to \$500.

25. There are also extraneous duties which cannot be fitted into the standard categories because the rates are special or are expressed on an hourly basis. These are classified as Extraneous Duties Allowance (Non-standard). The average monthly rates for this allowance, based on the standard number of working hours per month, vary from \$128 to \$425.

26. Extraneous Duties Allowances are paid in about 100 different circumstances, details of which are given in the List of Allowances issued by the Civil Service Branch. Many are for very small groups of staff or individuals and examples range from clerical staff handling cash to lighthouse keepers making meteorological observations. There has been criticism of the levels of payment for particular tasks and it has also been suggested that allowances should not be paid where an officer has acquired a skill at government expense. Doubts have also been expressed in certain cases as to whether an allowance approved years ago is still applicable in present circumstances, e.g. the allowance for driving duties. It is also arguable that in some cases, the duties for which allowances are now paid are an integral part of the job.

#### Views Sought

27. The Commission would welcome views on whether the payment of Extraneous Duties Allowances should be continued, and if so, whether any changes in the present arrangements are necessary.

#### (b) Hardship Allowances

##### Present Situation

28. Hardship Allowances are generally paid to compensate staff for performing duties which involve physical risks or health hazards, or are particularly obnoxious and unpleasant. They are broken down into three main sub-groups : -

- (i) Obnoxious Duties Allowance
- (ii) Dangerous Duties Allowance
- (iii) Management Considerations

Details of rates are contained in the List of Allowances issued by the Civil Service Branch, and a brief description of the allowances is given below.

##### (i) Obnoxious Duties Allowance

29. The present criteria for the payment of the Obnoxious Duties Allowance are : -

- (a) the obnoxious duties undertaken should neither be inherent in the work of the rank nor reflected in its pay scale; and
- (b) the obnoxious duties must form an appreciable part of an officer's daily work (e.g. a Workman II deployed full-time on the cleansing of latrines should be paid an allowance, whereas one who is required to undertake such duties occasionally as part of his other duties should not). The criterion normally followed is whether the duties in question amount to 50% or more of working time.

The rate for this allowance is expressed as 9% of Point 1 of the Master Pay Scale, i.e. \$153 per month.

(ii) Dangerous Duties Allowance

30. This allowance is mainly granted to staff working : -

- (a) with explosives or in compressed air;
- (b) at considerable heights (e.g. riggers or tree felling gangs); and
- (c) on roads, in the midst of heavy traffic.

The rate for this allowance is expressed as 11% of Point 1 of the Master Pay Scale, i.e. \$187 per month.

(iii) Management Considerations

31. This allowance is granted as an inducement for work which is 'particularly unpleasant or work under unpleasant conditions', but which cannot be fitted into the 'dangerous' or 'obnoxious' categories. The average monthly rates for this allowance vary from \$50 to \$350, depending on the merits of each case.

32. Most of the criticism directed at Hardship Allowances is related to the subjective nature of the eligibility criteria and to the large number of payments made. There are difficulties in deciding when the payment of such allowances is justified and at present some 25,000 payments are made each month to staff on obnoxious duties, 1,500 payments to staff on dangerous duties, and 7,000 payments under management considerations. As in the case of Extraneous Duties Allowances, it is apparent that the stringent criteria for Hardship Allowances which originally applied have in some instances been eroded with the passage of time. There are also doubts as to whether the wide range of duties which attract Obnoxious Duties Allowance is justified. As regards the

allowance paid for 'management considerations' doubts have been expressed about the need for a separate allowance for this purpose. It has also been suggested that, if this allowance is to be retained, a more appropriate title could be found.

Views Sought

33. The Commission would welcome views on whether Hardship Allowances should be retained, and if so, whether changes are necessary.

(c) Special Allowances

34. There are several allowances which have been approved for exceptional situations falling outside the scope of the allowances described in the previous paragraphs, details of which are contained in the List of Allowances issued by the Civil Service Branch. These allowances are classified under the 'Special Allowances' category. They have been created on their merits with an individual rate, and there are only a handful of such cases. There are doubts whether there should continue to be a need for a separate category of allowances to cater for exceptional circumstances, or whether they should more appropriately be included within the scope of the Extraneous Duties Allowances or Hardship Allowances. The Commission would welcome views on this matter.

IV. GENERAL  
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35. The Commission would welcome comments and suggestions from staff, departmental managements and the Administration on the issues raised in this document. The views of interested private sector organisations are also being invited. All the comments and suggestions received will be carefully considered by the Commission before it formulates its advice on the principles and practices governing job-related allowances in the civil service.

36. Written representations should be sent to the Secretary-General of the Standing Commission on Civil Service Salaries and Conditions of Service before 15 November 1983 at the following address : -

Room 1801,  
Admiralty Centre, Tower 1,  
18 Harcourt Road,  
Hong Kong.

Commission Secretariat  
3 October 1983

JOB-RELATED ALLOWANCES IN THE PRIVATE SECTOR

Summary of Findings by the Pay Survey and Research Unit

Introduction

At the request of the Standing Commission on Civil Service Salaries and Conditions of Service, the Pay Survey and Research Unit conducted a survey on private sector practices in respect of the payment of certain job-related allowances. 54 companies participated in the survey. They included 49 companies which took part in the 1983 Pay Trend Survey and five utility companies.

2. Surveyed companies were requested to provide information on the payment of job-related allowances as at 1 May 1983. Although information was only sought specifically on, inter alia, Extraneous Duties, Dangerous or Obnoxious Duties Allowance, all companies were asked if other job-related allowances were also paid.

General Comments

3. The practice of paying job-related allowances is much less common than in the civil service. No allowances are paid by 20 surveyed companies. For the majority of surveyed companies which reported the payment of job-related allowances in one form or another, most of them emphasised that it was their policy to avoid such payments as far as possible by taking account of the different factors inherent in the jobs concerned when setting pay rates. It was however noted that in some of the larger companies, including the utility companies, the range of duties for a particular job might involve additional factors which were only applicable to a minority. Under these circumstances, the employees concerned were usually paid an allowance. The number of private sector employees eligible for job-related allowances was therefore relatively small. Furthermore, the allowances, when granted, were usually non-contractual.

4. Rates of allowances were subject to periodic review. For some allowances which were linked to basic salaries, they were adjusted automatically when salary revisions were made.

5. No companies laid down rules to prevent employees from drawing more than one allowance simultaneously, although in many companies the situation would not arise as the allowances tended to be mutually exclusive. There was no limit on the total value of allowances that any one staff could receive.

6. All companies which paid allowances had laid down rules in respect of the authorisation of the payment of the allowances. The general principle followed was that the approving officer would not himself benefit from such approval.

#### Extraneous Duties Allowance

7. Less than half of the companies paid this allowance. The circumstances in which it was paid were broadly similar to the practice in the civil service. One common feature was that there was a wide range of calculation methods most of which were arbitrary in nature. Consequently, different rates were found to be paid for similar types of extraneous duties.

#### Hardship Allowance

8. A small number of surveyed companies reported the payment of this allowance. Again, the circumstances in which it was paid were broadly similar to the government practice with a few exceptions in particular circumstances.

#### Other Job-related Allowances

9. A number of other job-related allowances were reported by surveyed companies, the bulk of which were paid for shift duty, stand-by and call-out duties, and overseas duties.