

CHAPTER 7CIVIL SERVICE - VALUATION OF FRINGE BENEFITS USING THE
ACTUAL UTILISATION PATTERN OF HOUSING BENEFITS7.1. Methodology

7.1.1. The original methodology for the valuation of housing benefits as laid down by the Standing Commission specified that all officers were deemed to be in receipt of the maximum notional value of benefits available to them, which in the case of housing benefits meant non departmental quarters for officers in the Upper/Upper MPS pay band and Home Purchase Allowance for officers in the Upper MPS pay band.

7.1.2. Housing benefits for the other MPS pay bands were excluded because of the restrictive nature of the benefit. Model Scale 1 staff are not entitled to housing benefits.

7.1.3. The evaluation of fringe benefits using the original methodology was shown in Chapter 6. In this chapter we show the results for the Upper/Upper and Upper MPS pay bands Total Compensation on the basis of the actual utilisation pattern of the available housing benefits calculated at the maximum notional value for each option.

7.1.4. The distribution of housing benefits as of 1 August 1986 for the Upper/Upper MPS pay band was:

28% Home Purchase Allowance
1% Housing Loan (ignored as de minimis)
9% Private Tenancy Allowance
40% Non Departmental Quarters
22% No Benefit Taken

7.1.5. The distribution of housing benefits for the Upper MPS pay band as of the same date was:

36.7% Home Purchase Allowance
0.2% Housing Loan (ignored as de minimis)
27.5% Private Tenancy Allowance
35.6% No Benefit Taken



CIVIL SERVICE PRACTICE
UPPER/UPPER BAND
COMPARED WITH
COMPOSITE PRACTICE OF
52 COMPANIES

HK\$000S

700
600
500
400
300
200
100

UPPER BOUNDARY

C52 - CIVIL SERVICE PRACTICE
(ACTUAL UTILISATION PATTERN OF HOUSING BENEFITS)

LOWER BOUNDARY

03

AV

01

AUGUST 1986 PAY LEVEL SURVEY
LOCAL STAFF
TOTAL COMPENSATION
CHART 17
HONG KONG

HAY MANAGEMENT CONSULTANTS

700

650

600

550

UNITS OF
JOB CONTENT (S)

03
AV
C52

341.57
203.72
274.10
472.38

374.52
228.78
303.25
489.31

410.29
254.84
336.39
506.30

445.67
280.90
381.54
523.29

7.2. Charts

7.2.1. We prepared scattergrams for both the Upper/Upper & Upper MPS pay bands for Total Compensation and the preceding charts show the results:

- * Chart 17 Total Compensation Upper/Upper MPS Pay Band (48 - 51); and
- * Chart 18 Total Compensation Upper MPS Pay Band (38 - 47).

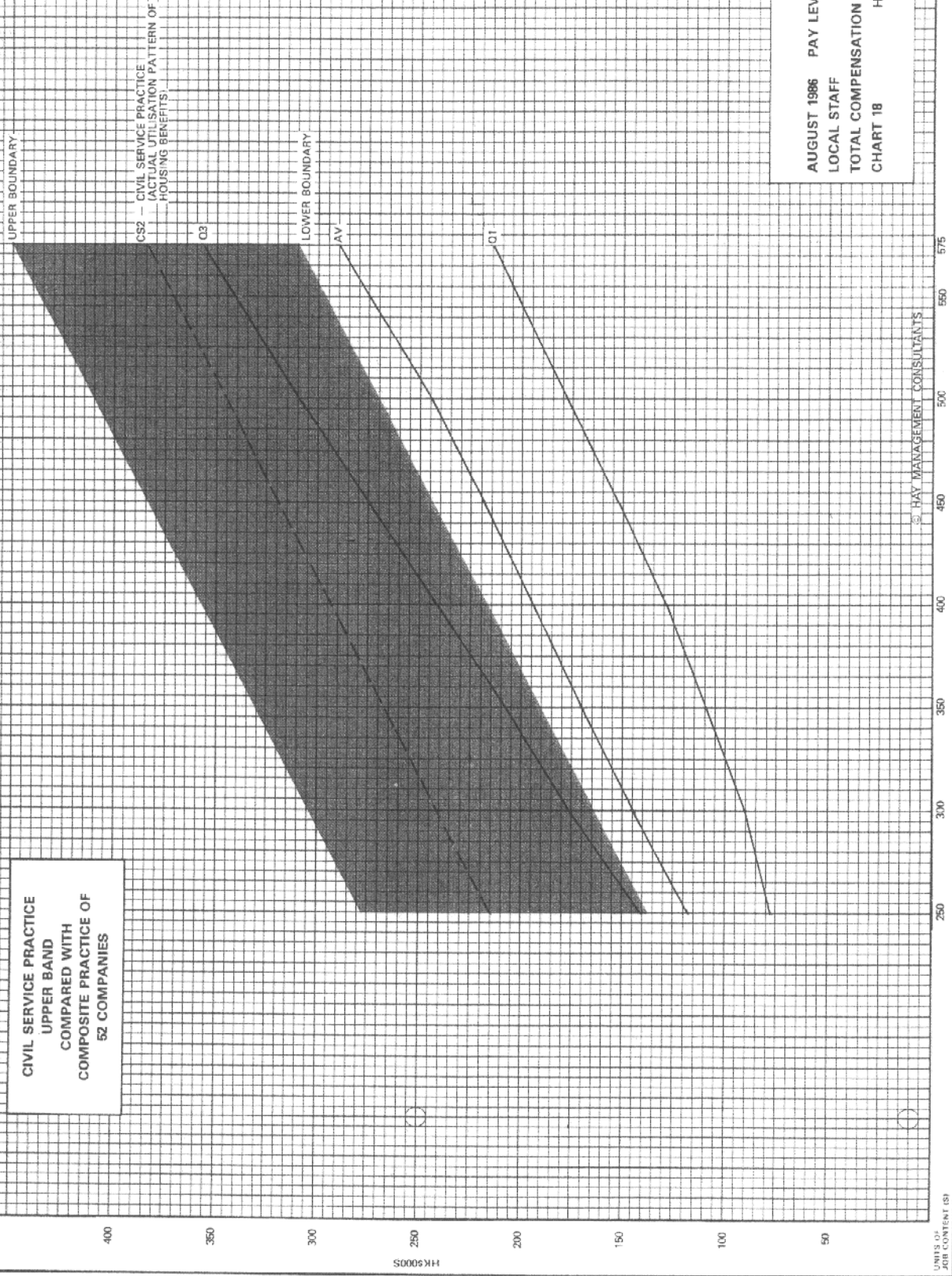
7.3. Results

7.3.1. The Upper/Upper MPS pay band Total Compensation practice line (see Chart 17) lies well above the Upper Quartile and just above the Upper Decile throughout the range of job sizes. At the average job size it is approximately HK\$100,000 or 25% above the Upper Quartile, HK\$12,000 or 3% above the Upper Decile and HK\$173,000 or 52% above Average.



CIVIL SERVICE PRACTICE
UPPER BAND
COMPARED WITH
COMPOSITE PRACTICE OF
52 COMPANIES

AUGUST 1986 PAY LEVEL SURVEY
LOCAL STAFF
TOTAL COMPENSATION
CHART 18
HONG KONG



Grade	250	300	350	400	450	500	550	575
O3	142.20	176.34	207.77	240.43	274.30	308.18	341.55	
O1	77.76	91.70	105.80	128.55	153.61	178.66	203.72	
AV	116.36	141.60	170.63	194.67	218.81	244.96	274.10	
CS2	215.74	241.53	268.11	294.30	320.49	346.67	372.86	

© HAY MANAGEMENT CONSULTANTS

7.3.2. Chart 18 The Upper MPS pay band Total Compensation practice line lies well above the Upper Quartile and straddles the Upper Decile. At the average job size it is approximately HK\$50,000 or 19% above the Upper Quartile, HK\$10,000 or 3% above the Upper Decile, and HK\$100,000 or 48% above Average.