

8.5.6 Hay also compared the individual fringe benefits available in each of the five civil service pay bands with the average, minimum and maximum private sector figures for local staff in jobs of similar size. For this exercise, the figures for the private sector were obtained by including only those companies which actually offered the benefit in question, rather than all the 52 companies as described in paragraph 8.5.3. The conclusions drawn by Hay are summarized in tabulated form in the following paragraphs.

Retirement Benefits

8.5.7 Hay evaluated both pensions and retirement gratuities in their study of these benefits. Their observations for each of the five pay bands were as follows :

Table VIII : Retirement Benefits

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	47592	23074	+106%
Upper	33640	15589	+116%
Middle	15939	5985	+166%
Lower	8220	4114	+99%
Model Scale 1	4998	3296	+52%

47 companies (approximately 90% of the survey sample) provide retirement benefits at levels equivalent to one or more of the five civil service bands.

Death and Disability Benefits

8.5.8 Within this category, Hay considered life assurance (death benefits) and long-term disability benefits. They drew the following conclusions in respect of death benefits :

Table IX : Death Benefits

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	3789	2809	+35%
Upper	2630	1686	+56%
Middle	1262	787	+60%
Lower	633	571	+11%
Model Scale 1	-	521	-

38 companies (approximately 73% of the survey sample) provide death benefits at levels equivalent to one or more of the five civil service bands.

The results for long-term disability benefits were as follows :

Table X : Long-Term Disability Benefits

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	3543	1580	+124%
Upper	2894	1244	+133%
Middle	1182	537	+120%
Lower	590	386	+53%
Model Scale 1	-	362	-

30 companies (approximately 58% of the survey sample) provide long-term disability benefits at levels equivalent to one or more of the five civil service bands.

Housing Benefits

8.5.9 Paragraph 8.2.3 describes how housing benefits in the civil service were evaluated in two distinct ways : firstly, on the basis of maximum notional value and maximum utilization (CS1) and, secondly, on the basis of maximum notional value and the pattern of utilization (CS2). As mentioned in paragraph 8.5.3, it should be noted that housing benefits in the private sector were evaluated on the first set of principles only - i.e. maximum notional value and maximum utilization. Consequently, direct comparisons are not possible, as can be expected. In some instances, there were significant differences between the results obtained for the civil service by using these two approaches, as can be seen from the following tables :

- (a) Maximum Notional Value and Maximum Utilization in the Civil Service (CS1) versus Maximum Notional Value and Maximum Utilization in the Private Sector

Table XI : Housing Benefits (CS1)

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	246795	47450	+420%
Upper	92760	29350	+216%
Middle	-	9400	-
Lower	-	7573	-
Model Scale 1	-	6754	-

30 companies (approximately 58% of the survey sample) provide housing benefits at levels equivalent to one or more of the five civil service bands.

(b) Maximum Notional Value and the Pattern of Utilization in the Civil Service (CS2) versus Maximum Notional Value and Maximum Utilization in the Private Sector

Table XII : Housing Benefits (CS2)

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	141040	47450	+197%
Upper	54644	29350	+86%
Middle	-	9400	-
Lower	-	7573	-
Model Scale 1	-	6754	-

30 companies (approximately 58% of the survey sample) provide housing benefits at levels equivalent to one or more of the five civil service bands.

Medical and Dental Benefits

8.5.10 In their report, Hay combined the results obtained for these two types of fringe benefit. It should be noted that, whereas civil service medical benefits were valued on the basis of maximum notional value and the pattern of utilization, those in the private sector were valued on the basis of maximum notional value and maximum utilization. Again, direct comparisons are not possible but Hay's findings were as follows :

Table XIII : Medical and Dental Benefits

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	2863	4683	-39%
Upper	2863	4401	-35%
Middle	1716	4000	-57%
Lower	1716	3932	-56%
Model Scale 1	1716	1235	+39%

47 companies (approximately 90% of the survey sample) provide medical benefits and 13 (approximately 25% of the survey sample) provide dental benefits at levels equivalent to one or more of the five civil service bands.

Leave Passages

8.5.11 No leave passages are available to local civil servants at the non-Directorate level. However, Hay found that such benefits were offered to some local employees in the private sector, as the following table shows :

Table XIV : Leave Passages

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	24886	-
Upper	-	18564	-
Middle	-	2147	-
Lower	-	-	-
Model Scale 1	-	-	-

9 companies (approximately 17% of the survey sample) provide leave passages at levels equivalent to one or more of the five civil service bands.

Leave

8.5.12 In accordance with our recommendation in paragraph 18.7 of Report No. 16, leave was not evaluated as a separate fringe benefit. Instead, Hay took it into account when assessing hours of work. Consequently, no direct comparison was made of leave benefits in the public and private sectors, although Hay have collected data relating to working hours in the civil service, which is incorporated in Annex J of their report at Appendix VIII.

Job-Related Allowances

8.5.13 Our recommendation, in paragraph 19.7 of Report 16, was that job-related allowances should be treated as pay supplements and this approach was duly adopted by Hay.

Miscellaneous Benefits

8.5.14 In accordance with our recommendation in paragraphs 20.7.1 and 20.7.2 of Report No. 16, Hay evaluated all miscellaneous benefits, with the exception of those which were provided for operational reasons, provided at the

discretion of the employer concerned, the utilization rates of which were extremely low, or those for which the value or relevant data were extremely difficult or impossible to ascertain. Their observations were as follows :

(a) Transport Allowances :

Table XV : Transport Allowances

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	2904	-
Upper	-	2315	-
Middle	-	2233	-
Lower	-	2130	-
Model Scale 1	-	2131	-

10 companies (approximately 19% of the survey sample) provide transport allowances at levels equivalent to one or more of the five civil service bands.

(b) Company Cars :

Table XVI : Company Cars

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	31763	-
Upper	-	26250	-
Middle	-	-	-
Lower	-	-	-
Model Scale 1	-	-	-

5 companies (approximately 10% of the survey sample) provide company cars at levels equivalent to one or more of the five civil service bands.

(c) Car Allowances :

Table XVII : Car Allowances

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	17650	-
Upper	-	23000	-
Middle	-	-	-
Lower	-	-	-
Model Scale 1	-	-	-

11 companies (approximately 21% of the survey sample) provide car allowances at levels equivalent to one or more of the five civil service bands.

(d) Personal Loans :

Table XVIII : Personal Loans

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	400	2228	-457%
Upper	400	2757	-589%
Middle	400	1650	-312%
Lower	400	1123	-180%
Model Scale 1	357	1091	-206%

7 companies (approximately 13% of the survey sample) provide personal loans at levels equivalent to one or more of the five civil service bands.



(e) Residential Telephones :

Table XIX : Residential Telephones

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	1260	-
Upper	-	733	-
Middle	-	773	-
Lower	-	-	-
Model Scale 1	-	-	-

5 companies (approximately 10% of the survey sample) provide residential telephones at levels equivalent to one or more of the five civil service bands.

(f) Club Fees :

Table XX : Club Fees

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	8400	-
Upper	-	2226	-
Middle	-	-	-
Lower	-	-	-
Model Scale 1	-	-	-

9 companies (approximately 17% of the survey sample) provide club fees at levels equivalent to one or more of the five civil service bands.

(g) Meal Allowances :

Table XXI : Meal Allowances

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	1322	-
Upper	-	1371	-
Middle	-	1096	-
Lower	-	1091	-
Model Scale 1	-	1263	-

10 companies (approximately 19% of the survey sample) provide meal allowances at levels equivalent to one or more of the five civil service bands.

(h) Utility Allowances :

Table XXII : Utility Allowances

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	10908	-
Upper	-	6755	-
Middle	-	3514	-
Lower	-	3167	-
Model Scale 1	-	3117	-

6 companies (approximately 12% of the survey sample) provide utility allowances at levels equivalent to one or more of the five civil service bands.

(i) Recreation Allowances :

Table XXIII : Recreation Allowances

Band	Civil Service (Per Annum) HK\$	Private Sector Average (Per Annum) HK\$	Difference over Private Sector %
Upper/Upper	-	6170	-
Upper	-	2027	-
Middle	-	168	-
Lower	-	139	-
Model Scale 1	-	114	-

4 companies (approximately 8% of the survey sample) provide recreation allowances at levels equivalent to one or more of the five civil service bands.

8.5.15 For further information concerning any of the results referred to in paragraphs 8.5.6 to 8.5.14 above, please see Chapter 8 of Hay's report at Appendix VIII.