

STANDING COMMISSION ON CIVIL SERVICE  
SALARIES AND CONDITIONS OF SERVICE

REPORT No. 64

# REPORT 2021

CHAIRMAN

DR PANG YIU-KAI, GBS, JP

FEBRUARY 2022

**公務員薪俸及服務條件常務委員會**  
**Standing Commission on Civil Service Salaries and Conditions of Service**

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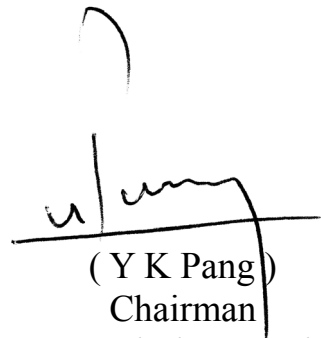
28 February 2022

The Honourable Mrs Carrie Lam Cheng Yuet-ngor, GBM, GBS  
The Chief Executive  
Hong Kong Special Administrative Region  
People's Republic of China

Dear Madam,

--- On behalf of the Standing Commission on Civil Service Salaries  
and Conditions of Service, I have the honour to submit a report on our work  
during 2021.

Yours faithfully,

  
( Y K Pang )  
Chairman

Standing Commission on Civil Service  
Salaries and Conditions of Service

Encl.

STANDING COMMISSION ON CIVIL SERVICE  
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# Chapter 1

## Introduction

1.1 Since its establishment in 1979, the Standing Commission on Civil Service Salaries and Conditions of Service has been advising the Government on the principles and practices governing pay, conditions of service and salary structure of non-directorate civil servants, other than judicial officers and disciplined services staff. The Commission provides independent advice and makes recommendations to the Chief Executive, after taking into full account relevant factors and views expressed by the parties concerned. The Commission's terms of reference are at **Appendix A**.

1.2 This is our sixty-fourth report. It gives an account of our major undertakings in 2021. During the year, we exchanged views with the staff side at a couple of informal meetings and considered various Government's proposals by circulation. We also carried a few review and survey projects.

1.3 The Commission's membership is at **Appendix B**. All Commission Members are non-officials appointed in their personal capacity by the Chief Executive.

1.4 We would like to record our heartfelt thanks to Mrs Edith Chan Ngan Man-ling, MH who retired in December 2021. We also welcome Ms Dilys Chau Suet-fung and Mr Victor Lam Hoi-cheung, JP, who were appointed as Members of the Commission with effect from 1 January 2022.

1.5 We would like to thank Mr Patrick Nip Tak-kuen, JP, Secretary for the Civil Service, as well as his staff for their assistance and co-operation. Our appreciation also goes to Mr Yau Kin-chung, JP, Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service (the Joint Secretariat) and his staff for their support during the year.

## **Chapter 2**

### **Advice on Individual Submissions, Informal Meetings with Civil Service Staff Bodies and Other Activities**

2.1 In 2021, the Government of the Hong Kong Special Administrative Region continued to join hands with the community to fight against the COVID-19 pandemic. With the rollout of a territory-wide COVID-19 Vaccination Programme, the Government informed the Commission of the introduction of a time-limited Extraneous Duties Allowance (EDA) for civil servants performing administrative duties under the Community Vaccination Programme (CVP) (EDA(CVP)). In view of the pandemic, the Government has further introduced a time-limited Hardship Allowance (HA) for civil servants in the Home Affairs Department (HAD) performing operations in connection with Compulsory Testing Notices (CTN) and Restriction-testing Declarations (RTD) (HA(CTN&RTD)). Separately, the Government also sought the Commission's views on introducing an HA for civilian grades staff regularly working in an Enclosed and Isolated (E&I) Environment in the Correctional Services Department (CSD) (HA(E&I)) as well as a "Mainland and Local Education Allowance" (MLEA) for eligible civil servants.

2.2 The Commission was supportive of the above Government's proposals. The details of the proposals are set out in this Chapter. The progress of other activities of the Commission, including the Grade Structure Review (GSR) for the Medical and Health Officer (M&HO) grade and the forthcoming Pay Level Survey (PLS), is also covered in this Chapter.

## **Introduction of a time-limited Extraneous Duties Allowance for civil servants performing administrative duties under the Community Vaccination Programme**

### ***Background***

2.3 Job-related allowances (JRAs) (including EDA and HA)<sup>1</sup> are payments to compensate civil servants for aspects of their work that are not normally expected of a particular grade/rank and that have not been taken into account in the determination of its pay scale. They are payable only when justified on operational grounds and upon compliance with the general principles governing JRAs payable to civilian grade staff adopted by the Government.

### ***The Government's considerations***

2.4 The Government launched in early 2021 the CVP to provide COVID-19 vaccination for members of the public. One of the venues of vaccination is the Community Vaccination Centres (CVCs) set up by the Government. To facilitate the smooth operation of the CVCs, a sizable number of civil servants belonging to different bureaux/departments had been called upon to perform administrative duties at the CVCs during the initial stage. The Secretary for the Civil Service approved the introduction of a time-limited EDA(CVP) to recognise the extraneous duties performed by the civil servants concerned.

### ***The Commission's views***

2.5 The Commission noted that the support of civil servants was critical for the smooth operation of the CVCs and that the provision of supporting services for the CVP was extraneous to the job descriptions for the civil servants concerned. The Commission indicated its support to the Government's introduction of the EDA(CVP) in February 2021.

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<sup>1</sup> There are six categories of JRAs, namely, (a) EDA (for civilian grades) and Extra Duties Allowance for Disciplined Services; (b) HA (for civilian grades); (c) Shift Duty Allowance (for civilian grades); (d) Rainstorm Black Warning Allowance and Typhoon Allowance (for civilian grades); (e) Special Allowances payable to disciplined services grades; and (f) Uniform (and Kit) Allowance.

## **Introduction of a time-limited Hardship Allowance for civil servants in the Home Affairs Department performing operations in connection with Compulsory Testing Notices and Restriction-testing Declarations**

### ***The Government's considerations***

2.6 Since the onset of the fourth wave of COVID-19 in December 2020, the entire HAD including staff of its 18 District Offices and those from its headquarters have been mobilised to conduct operations relating to the issuance of CTNs and/or making of RTDs. They are required to work long and irregular working hours, perform duties in high-risk areas and are susceptible to other risks arising from such operations.

2.7 Taking into account the hardship and the undue physical and psychological stress endured and encountered by the HAD officers concerned, the Secretary for the Civil Service approved the introduction of a time-limited HA(CTN&RTD) for civil servants in HAD performing operations in connection with CTN and RTD, with retrospective effect from 1 December 2020<sup>2</sup>. The HA will cease to be payable upon the deactivation of the Emergency Response Level under the *Preparedness and Response Plan for Novel Infectious Disease of Public Health Significance*.

### ***The Commission's views***

2.8 The Commission noted the special circumstances in relation to CTN and RTD operations and the hardship and challenges faced by HAD officers concerned. The Commission supported the Government's introduction of the HA(CTN&RTD).

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<sup>2</sup> The month in which the first CTN/RTD operation was conducted by HAD.



## **Introduction of a Hardship Allowance for civilian grades staff regularly working in an enclosed and isolated environment in the Correctional Services Department**

### ***The Government's proposal***

2.9 According to section 18A of the Prisons Ordinance (Cap. 234), CSD staff (including civilian grades staff) who are deployed to work in an E&I environment (e.g. penal facilities) are prohibited to stay closely connected or have timely access to personal electronic and digital devices, which are widely used nowadays for staying connected with family members and friends, for obtaining important and timely information such as instant news, as well as for handling important and urgent matters. Such social segregation and restriction are generally greater than other civil service staff.

2.10 Taking into account the work nature, the unique work environment, and the duration and frequency of the work involved, the Government considered that the proposed HA(E&I) could serve as an appropriate recognition and compensation to the civilian grades staff<sup>3</sup> concerned.

### ***The Commission's advice***

2.11 We considered the Government's proposal by circulation of paper in July 2021. In the light of the justifications put forth by the Government, we supported the introduction of HA(E&I), which came into effect on 1 August 2021.

## **Proposal on “Mainland and Local Education Allowance”**

### ***Background***

2.12 Local Education Allowance (LEA) was introduced in 1972 to meet part of the fees for the primary and secondary education of eligible civil

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<sup>3</sup> The Government had separately consulted the views of the Standing Committee on Disciplined Salaries and Conditions of Service (SCDS) on the proposal concerning disciplined services grades staff regularly working in an E&I environment which fell under the purview of the SCDS.

servants' children in Hong Kong. Civil servants who were offered appointment before 1 June 2000 are eligible for the allowance<sup>4</sup>.

### ***The Government's proposal***

2.13 The Government has all along been putting in place policy to support youth integration into the overall national development, and has been implementing measures to facilitate Hong Kong students to study in the Mainland as well as encourage them to participate in various internship programmes and exchange activities in the Mainland.

2.14 In line with the above policy and on the premise that the eligibility criteria and ceiling rates for LEA remain intact<sup>5</sup>, the Government proposed to expand the scope of LEA to cover primary and secondary education in the Mainland, and rename it as MLEA, so that civil servants who are eligible for LEA can apply for education allowances in respect of their children's primary and secondary education in the Mainland or in Hong Kong. This arrangement would provide these officers with another option when considering their children's place of study.

### ***The Commission's advice***

2.15 We considered the Government's proposal by circulation of paper in March 2021. Having considered the justifications put forth by the Government and noting that the provision of an allowance to cover education in the Mainland had been one of the key requests raised by the staff bodies and its provision would be supported by them, we rendered our support to the proposal in March 2021. The MLEA was put into effect on 11 October 2021 after the Government obtained the approval of the Finance Committee of the Legislative Council.

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<sup>4</sup> Following the implementation of new fringe benefits packages to civil service recruits offered appointment on or after 1 June 2000, the Government ceased the provision of LEA to civil servants appointed on or after 1 June 2000, i.e. those who were offered appointment before 1 June 2000 and joined the civil service are eligible, under their terms of appointment, to receive LEA.

<sup>5</sup> The eligibility for MLEA follows the arrangement for LEA, that is, all civil servants eligible to claim LEA (i.e. those who were offered appointment before 1 June 2000 and joined the civil service) would be eligible to claim MLEA to pay part of the fees for the primary and secondary education of their children in the Mainland or in Hong Kong. The rates of the allowance also remain at the same level of LEA.

## **Liaison with the major civil service staff bodies**

### ***Background***

2.16 Since 1992, the Commission has held regular informal meetings with the staff side of the Senior Civil Service Council (SCSC) and the Model Scale 1 Staff Consultative Council, which are the two Central Consultative Councils of the Government in respect of the civilian grades. The staff side of the SCSC is made up of the Association of Expatriate Civil Servants of Hong Kong, the Hong Kong Chinese Civil Servants' Association and the Hong Kong Senior Government Officers Association. In order to canvass a wider spectrum of views, the Commission decided in 1996 to meet also the three major confederation-type unions not represented on the SCSC, namely, the Government Employees Association, the Hong Kong Civil Servants General Union, and the Hong Kong Federation of Civil Service Unions. These meetings have proven to be very useful in keeping us apprised of current issues of concern to civil servants.

### ***Major development of matters discussed at previous meetings***

2.17 We understand from the previous rounds of informal meetings that the implementation of five-day week (FDW) in the Government, the conditioned hours of work of the civil service, the quantum and scope of medical and dental benefits available to civil servants, and the fringe benefits for officers appointed on new terms<sup>6</sup>, are among the key concerns to staff. We have appealed to the Government to tackle the issues and to strive for further improvements whilst engaging staff in the process.

### ***The 2020-21 round of informal meetings***

2.18 At the 2020-21 round of informal meetings held in March 2021, we exchanged views with the staff bodies on a wide spectrum of issues of concern, such as the mechanism for annual civil service pay adjustments, the conditions under which a GSR can be initiated, the progress of implementing FDW, the length of conditioned hours of work, the provision of medical and dental benefits, fringe benefits for officers appointed on new terms, and

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<sup>6</sup> Officers appointed on "New Terms" are civil servants who are offered appointment on or after 1 June 2000.

training and development. In particular, the staff representatives continued to express their wish to have more civil servants migrated to FDW and to reduce the conditioned hours of work of staff under the net conditioned hours of work system. Some staff representatives also suggested that the fringe benefits for civil servants appointed on new terms should be enhanced in order to attract and retain talents.

### ***The next round of informal meetings***

2.19 The 2021-22 round of informal meetings with representatives of the major civil service staff bodies is originally scheduled for January 2022 but has to be rescheduled in view of the then pandemic situation. The Commission will keep in view latest developments, and is looking forward to these opportunities of exchanging views with the major staff bodies.

### **Other activities**

#### ***Liaison with external stakeholders***

2.20 In the course of the year, the Commission and the Joint Secretariat maintained close contacts with major interested private sector organisations to keep track of developments in the private sector and to exchange views on civil service pay, conditions of service and pay surveys. In June 2021, we met with representatives from the Employers' Federation of Hong Kong, the Hong Kong Institute of Human Resource Management and the Hong Kong People Management Association to exchange views on the findings of the 2021 Pay Trend Survey.

#### ***Grade Structure Review for the Medical and Health Officer grade***

2.21 Noting that the M&HO grade of the Department of Health (DH) had been facing consistently high vacancy and resignation rates in recent years notwithstanding various mitigation measures implemented by DH, the Secretary for the Civil Service invited the Commission to conduct a GSR for the M&HO grade. At its meeting on 11 November 2019, the Commission accepted the invitation to conduct the GSR. A dedicated Working Group (with members drawn from within the Commission) has been formed to spearhead the review through a combination of fact-finding exercises, examination of written submissions from the stakeholders as well as visits and

meetings with them. The Working Group has received a number of written submissions from the departmental management of DH, staff bodies and individual M&HO grade members. To gain a better understanding of the work of the grade and a first-hand grasp of staff views and sentiments, the Working Group visited the facilities of DH in a series of site visits held in November 2021. The Working Group is presently considering the written submissions received and the views collated at the meeting sessions with staff during the site visits before proceeding to the next stage of the review.

### ***Forthcoming Pay Level Survey***

2.22 In December 2019, the Government invited the Commission to conduct the next PLS under the Improved Civil Service Pay Adjustment Mechanism (Improved Mechanism)<sup>7</sup> and to recommend how the findings of the PLS should be applied to the non-directorate civilian grades of the civil service. Having considered and acknowledged the importance of the PLS as a key element of the Improved Mechanism, at its meeting on 29 May 2020, the Commission resolved to accept the Government's invitation to take on this important task. The Commission has appointed through the Joint Secretariat a consultant to provide professional advice and support.

2.23 In the light of the unique and unprecedented local and global circumstances arising from the COVID-19 pandemic, and understanding the concerns expressed by the staff side on the timing to commence the exercise and to conduct the fieldwork, the Commission has adopted a two-stage approach to conducting the survey. The Commission is proceeding with all preparatory steps (such as a review of the survey methodology and the compilation of civil service benchmark jobs for subsequent pay comparison with the private sector). By the time these steps are completed (sometime by the end of the first quarter of 2023), the Commission will decide whether and when the actual fieldwork should start.

2.24 The Commission attaches importance to views of staff side, considering them to be an important element conducive to the successful

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<sup>7</sup> Under the Improved Mechanism and pursuant to the recommendations of our Review on Civil Service PLS and Starting Salaries Survey (SSS), three types of surveys, namely, the annual Pay Trend Survey, the six-yearly PLS, and the SSS to be conducted as and when necessary in response to specific circumstances, are carried out, all of them seeking collectively to maintain broad comparability between civil service pay and private sector pay.

conduct of the PLS. The Commission, with the assistance of the Consultant, will continue to fully engage staff side on major issues along the way.

## Chapter 3

### Pay Trend Survey System

3.1 The Pay Trend Survey (PTS) system aims to ascertain the year-on-year average movements in private sector pay. In accordance with the recommendations of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters, the Government deducts the values of civil service increments at their payroll cost in the relevant year (i.e. the payroll cost of increments (PCIs) which is expressed as a percentage of the total payroll cost for each salary band) from the gross pay trend indicators (PTIs) to produce the net PTIs. Having regard to the net PTIs derived from the PTSs and other pertinent considerations (including the state of Hong Kong's economy, the Government's fiscal position, changes in the cost of living, the pay claims of the staff side and civil service morale), the Chief Executive-in-Council (CE-in-Council) decides on the specific rates of adjustment for civil service pay.

#### Pay Trend Survey Committee

3.2 The Pay Trend Survey Committee (PTSC) is an independent committee established by the Government on the Commission's advice in 1983. Its Chairman and Alternate Chairman are nominated from Members of the Commission. Mr Lee Luen-fai, BBS, JP, has been the Chairman of the PTSC since 1 January 2019. Mr Laurence Li Lu-jen, SC, JP, took over from Mrs Edith Chan Ngan Man-ling, MH, after her retirement from the Commission as the Alternate Chairman of the PTSC in January 2022. The PTSC also comprises representatives of the SCDS, the Civil Service Bureau (CSB) and the staff side. Its composition is at **Appendix C**.

3.3 The main function of the PTSC is to commission the annual PTS, analyse the results of the survey, ensure that the agreed criteria for the interpretation of the data collected have been properly applied and agree on its results. The PTSC is the only and final authority for the conduct of the PTS. Once the findings of a PTS have been agreed, neither the PTSC nor the

Commission is involved in any way in subsequent discussions between CSB and the staff side on any pay adjustment based on the survey results.

3.4 In tendering advice to the Government on the methodology for the PTS, as prescribed by our terms of reference, the Commission has to have regard to the recommendations of the PTSC.

### **Pay Survey and Research Unit**

3.5 The fieldwork of the PTS is conducted by the Pay Survey and Research Unit (PSRU), which is an independent unit under the Joint Secretariat. The PSRU collects information from companies or organisations in the survey field as agreed by the PTSC on changes in basic salaries and additional payments relating to cost of living, general prosperity and company performance, general changes in market rates, merit increase and in-scale increment during the survey period. These data are analysed to produce gross PTIs for three different salary bands. The findings are then presented to the PTSC for verification and, if deemed appropriate, for validation.

### **The improved methodology of the Pay Trend Survey**

3.6 Starting from 2007, the PTS has adopted an improved methodology as approved by the CE-in-Council in March 2007. Under the improved methodology, the survey field is broadened to cover larger companies (with 100 or more employees) and smaller companies (with 50 to 99 employees) in order to enhance the representativeness and credibility of the PTS. To complement the broadening of survey field, the data consolidation method is modified to ensure that the data from smaller companies with 50 to 99 employees are suitably represented.

3.7 In the 2012 PTS, an exclusion category was added to exclude employees affected by the Statutory Minimum Wage (SMW), which came into effect on 1 May 2011. The approach to exclude SMW-affected employees continues to be adopted in subsequent PTSs.

3.8 In the 2014 PTS, another exclusion category has been added to exclude new recruits who are not subject to pay adjustment decisions during



the survey period as a result of company policy. Since the 2016 PTS, new recruits who are awarded pay adjustment on a pro rata basis as a result of company policy have also been excluded.

## **The 2021 Pay Trend Survey**

3.9 The 2021 PTS, commissioned by the PTSC in February 2021, was conducted between February and May 2021. It followed the improved PTS methodology with the refinements as mentioned in paragraphs 3.6 to 3.8.

3.10 A total of 113 companies, comprising 83 larger companies (74%) and 30 smaller companies (26%), participated in the 2021 PTS. The PSRU collected information on pay adjustments in these 113 companies (comprising 145 544 employees) over the 12-month period from 2 April 2020 to 1 April 2021 and analysed the data in accordance with the improved methodology. The gross PTIs<sup>8</sup> derived from the survey findings were released on 18 May 2021, and considered and validated by the PTSC on 26 May 2021. A summary of the results of the survey is at **Appendix D**.

3.11 Having considered the net PTIs<sup>9</sup> and the other pertinent considerations as mentioned in paragraph 3.1, the CE-in-Council made a decision on 15 June 2021 that the pay for all civil servants should be frozen with retrospective effect from 1 April 2021. The latest pay scales relevant to the Commission's purview are shown at **Appendix E**.

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<sup>8</sup> In the 2021 PTS, the gross PTIs for the upper, middle and lower salary bands are -1.00%, 0.49% and 0.48% respectively.

<sup>9</sup> In considering the 2019-20 civil service pay adjustment in June 2019, the CE-in-Council also decided to put a cap on the PCIs to be deducted from the gross PTIs. Specifically, from the 2019-20 civil service pay adjustment exercise onwards, the average PCI for each salary band from 1989-90 to 2019-20, or the actual PCI for the particular salary band for the year, whichever is the lower, will be adopted for deriving the net PTI for that salary band. In the 2021-22 civil service pay adjustment exercise, as the average PCIs for the three salary bands from 1989-90 to 2019-20 were lower than the actual PCIs for the respective salary bands for the year, the average PCIs were adopted for deriving the following net PTIs for 2021-22, i.e. -2.04%, -0.54% and -0.68% for the upper, middle and lower salary bands respectively.

## **Review of survey methodology**

3.12 It has been an established practice for the PTSC, as assisted by the PSRU, to conduct a review of the PTS methodology and submit its recommendations to the Commission before the conduct of the next PTS. The PTSC completed the review in December 2021.

3.13 After careful deliberations, the PTSC recommended that the methodology of the 2021 PTS continue to be adopted for the 2022 PTS.

## **The Commission's views on the review of PTS methodology**

3.14 We supported the PTSC's recommendation. A copy of our letter dated 13 December 2021 tendering advice to the Government on the review of the PTS methodology is at **Appendix F** (with key features of the methodology at **Annex** to the letter).

## **Chapter 4**

### **Future Programme of Work**

4.1 As mentioned in paragraphs 2.21 to 2.24, we are in the course of conducting the GSR for the M&HO grade and the preparatory work for the forthcoming PLS. We will continue to take forward the two exercises and take into account the views of the stakeholders in the course of the exercises.

4.2 We will continue to carry out our responsibilities in accordance with our terms of reference and tender advice on any proposals from the Government for changes to the pay and conditions of service for individual grades or for the civil service as a whole.

4.3 We will also keep the PTS methodology under review to ensure that the data collected are as credible as possible.

4.4 As in the past, we will maintain close contacts with the major civil service staff bodies and interested private sector organisations to keep abreast of developments relating to the discharge of our duties and responsibilities and in carrying out specific tasks.

## **Standing Commission on Civil Service Salaries and Conditions of Service**

### **Terms of Reference**

- I. To advise and make recommendations to the Chief Executive in respect of the non-directorate civil service, other than judicial officers and disciplined services staff, on –
- (a) the principles and practices governing grade, rank and salary structure;
  - (b) the salary and structure of individual grades;
  - (c) whether overall reviews of pay scales (as opposed to reviews of the salary of individual grades) should continue to be based on surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, or whether some other mechanisms should be substituted;
  - (d) the methodology for surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, subject to advice under I(c) and having regard to the advice of the Pay Trend Survey Committee;
  - (e) matters relating to those benefits, other than salary, which the Commission advises as being relevant to the determination of the civil service remuneration package, including the introduction of new benefits or proposed changes to existing benefits;
  - (f) suitable procedures and machinery to enable staff associations and staff to discuss with management their views on matters within the terms of reference of the Commission;
  - (g) the circumstances in which it would be appropriate for the Commission itself to consider any issue, and how staff associations and management might present their views to the Commission in such circumstances; and
  - (h) such matters as the Chief Executive may refer to the Commission.

II. The Commission shall keep the matters within its terms of reference under continuing review, and recommend to the Chief Executive any necessary changes.

III. The Commission shall give due weight to any wider community interest, including financial and economic considerations, which in its view are relevant.

IV. The Commission shall give due weight to the need for good staff relations within the Civil Service, and in tendering its advice shall be free to make any recommendations which would contribute to this end.

V. In considering its recommendations and advice, the Commission shall not prejudice the 1968 Agreement between the Government of the Hong Kong Special Administrative Region and the Main Staff Associations (1998 Adapted Version).

VI. The staff associations making up the Staff Side of the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council may jointly or individually refer matters relating to civil service salaries or conditions of service to the Commission.

VII. The heads of departments may refer matters relating to the structure, salaries or conditions of service of individual grades to the Commission.

VIII. The Commission shall not consider cases of individual officers.

IX. The Commission may wish to consider in the light of experience whether changes in its composition or role are desirable.

X. In carrying out its terms of reference, the Commission should ensure that adequate opportunities are provided for staff associations and management to express their views. The Commission may also receive views from other bodies which in its view have a direct interest.

**STANDING COMMISSION ON  
CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE**  
(Membership as at 2021)



**DR PANG YIU-KAI, GBS, JP**  
CHAIRMAN

(APPOINTED ON 1 JANUARY 2019)

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**MR LEE LUEN-FAI, BBS, JP**  
MEMBER

(APPOINTED ON 1 JANUARY 2014)

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**MS ELAINE LO YUEN-MAN, MH**  
MEMBER

(APPOINTED ON 1 AUGUST 2016)

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**MRS EDITH CHAN NGAN MAN-LING, MH**  
MEMBER

(APPOINTED ON 1 JANUARY 2018)

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**STANDING COMMISSION ON  
CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE**  
(Membership as at 2021)



**MS CHRISTINA MAISENNE LEE**  
MEMBER

(APPOINTED ON 1 AUGUST 2018)

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**DR MIRANDA LOU LAI-WAH**  
MEMBER

(APPOINTED ON 1 JANUARY 2019)

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**MR JOSEPH LUC NGAI, JP**  
MEMBER

(APPOINTED ON 1 JANUARY 2019)

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**HON CHAN CHUN-YING, JP**  
MEMBER

(APPOINTED ON 1 JANUARY 2020)

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**STANDING COMMISSION ON  
CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE**  
(Membership as at 2021)



**MRS BETTY YUEN SO SIU-MAI, JP**  
MEMBER

(APPOINTED ON 1 JANUARY 2020)

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**MS VENA CHENG WEI-YAN**  
MEMBER

(APPOINTED ON 1 JANUARY 2021)

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**MS ADA LEUNG KA-LAI, SBS**  
MEMBER

(APPOINTED ON 1 JANUARY 2021)

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**MR LAURENCE LI LU-JEN, SC, JP**  
MEMBER

(APPOINTED ON 1 JANUARY 2021)

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## **Composition of the Pay Trend Survey Committee**

### **Members**

Two Members of the Standing Commission on Civil Service Salaries and Conditions of Service, one as Chairman and the other as Alternate Chairman

Up to two Representatives of the Standing Committee on Disciplined Services Salaries and Conditions of Service

Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service

Two Representatives of the Civil Service Bureau

Three Staff Side Representatives of the Senior Civil Service Council

Three Staff Side Representatives of the Model Scale 1 Staff Consultative Council

Two Staff Side Representatives of the Police Force Council

Two Staff Side Representatives of the Disciplined Services Consultative Council

### **Observers**

Three Staff Side Representatives of the Senior Civil Service Council

Three Staff Side Representatives of the Model Scale 1 Staff Consultative Council

A Management Side and two Staff Side Representatives of the Police Force Council

Three Staff Side Representatives of the Disciplined Services Consultative Council

## Summary of the 2021 Pay Trend Survey

### Introduction

Pay Trend Surveys (PTSs) yield information on the general movements of pay in the private sector over a given period. They are not concerned with the comparison of pay levels for specific occupational groups. Prior to 1983, PTSs were undertaken by the then Pay Investigation Unit, under the auspices of a Steering Committee of the Senior Civil Service Council. The Pay Survey and Research Unit (PSRU) was established in December 1982 and the Pay Trend Survey Committee (PTSC) shortly after. The 2021 PTS was the 44<sup>th</sup> of its kind.

### Survey period

2. The survey covered a 12-month period from 2 April 2020 to 1 April 2021.

### Surveyed companies

3. A total of 113 companies took part in the survey including 83 larger companies (with 100 or more employees) and 30 smaller companies (with 50 to 99 employees) in the ratio of 74 : 26. The pay data of their 145 544 employees were used in the calculation of the 2021 gross pay trend indicators (PTIs).

### Data collection

4. Following the adoption of a technical refinement to the improved methodology for the PTSs (the methodology was endorsed by the Chief Executive-in-Council (CE-in-Council) in March 2007), data collection in the 2021 PTS was based on five salary bands by subdividing the middle and upper salary bands into two bands while keeping the lower salary band intact. The classification was as follows –

- |     |   |                                 |
|-----|---|---------------------------------|
| (a) | <u>Lower Salary Band</u><br>(below MPS <sup>1</sup> Point 10)                           | below \$24,070 per month        |
| (b) | <u>Middle Salary Band (I)</u><br>(MPS Points 10 to 23)                                  | \$24,070 – \$46,655 per month   |
| (c) | <u>Middle Salary Band (II)</u><br>(above MPS Point 23 to Point 33)                      | \$46,656 – \$73,775 per month   |
| (d) | <u>Upper Salary Band (I)</u><br>(above MPS Point 33 to Point 44)                        | \$73,776 – \$110,170 per month  |
| (e) | <u>Upper Salary Band (II)</u><br>(above MPS Point 44 to<br>DS(O) <sup>1</sup> Point 39) | \$110,171 – \$147,235 per month |

5. Data collection commenced in February 2021 and ended in May 2021. Questionnaires with guidance notes were sent to participating companies for completion. The staff of the PSRU followed up by field visits or telephone discussions. The companies were asked to provide data on changes in basic salaries and additional payments other than those relating to fringe benefits.

6. Information collected for the survey was recorded in individual company statements, after their accuracy had been confirmed by the company concerned. Strict confidentiality was observed in the handling of company data which were made non-attributable in survey reports, so as to preserve the anonymity of the participating companies.

## **Survey findings**

7. The PSRU analysed the company data in accordance with the approved methodology and presented its findings to the PTSC on 18 May 2021. Taking into account only those adjustments which related to the cost of living, general prosperity and company performance, general

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<sup>1</sup> MPS denotes Master Pay Scale; DS(O) denotes Disciplined Services (Officer) Pay Scale.

changes in market rates, merit increase and in-scale increment, the following pay adjustments had been made in the surveyed companies during the period from 2 April 2020 to 1 April 2021 –

(a)	Lower Salary Band (below \$24,070 per month)	+ 0.48%
(b)	Middle Salary Band (\$24,070 to \$73,775 per month)	+ 0.49%
(c)	Upper Salary Band (\$73,776 to \$147,235 per month)	- 1.00%

8. The PTSC met on 26 May 2021 to verify and consider the 2021 PTS report. The two representatives of the Standing Commission on Civil Service Salaries and Conditions of Service, the representative of the Standing Committee on Disciplined Services Salaries and Conditions of Service, the Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service, the two representatives of the Civil Service Bureau, the two Staff Side Representatives of the Model Scale 1 Staff Consultative Council and the two Staff Side Representatives of the Police Force Council validated the survey findings. In line with the established practice, the PTSC submitted its Report to the Government for consideration.

### **Pay trend indicators**

9. The findings of the PTSs were known as the gross PTIs. In accordance with the recommendations of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters and pursuant to the decision of the CE-in-Council in June 2019<sup>2</sup>, the Government, after deducting the values of civil service increments at their payroll cost, which were 1.16%,

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<sup>2</sup> In considering the 2019-20 civil service pay adjustment in June 2019, the CE-in-Council also decided to put a cap on the PCIs to be deducted from the gross PTIs. Specifically, from the 2019-20 civil service pay adjustment exercise onwards, the average PCI for each salary band from 1989-90 to 2019-20, or the actual PCI for the particular salary band for the year, whichever is the lower, will be adopted for deriving the net PTI for that salary band.

1.03% and 1.04% respectively for the lower, middle and upper salary bands, arrived at the net PTIs for 2021-22<sup>3</sup> as follows –

(a)	Lower Salary Band	- 0.68%
(b)	Middle Salary Band	- 0.54%
(c)	Upper Salary Band	- 2.04%

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<sup>3</sup> In June 2021, having considered the net PTIs and the other pertinent considerations under the Improved Civil Service Pay Adjustment Mechanism, the CE-in-Council made a decision that the pay for all civil servants should be frozen with retrospective effect from 1 April 2021.

**Civil Service Pay Scales Relevant to the Commission’s Purview  
(with effect from 1 April 2021)**

<u>Master Pay Scale</u>		<u>Model Scale 1 Pay Scale</u>		<u>Craft Apprentice Pay Scale</u>	
<u>Point</u>	<u>\$</u>	<u>Point</u>	<u>\$</u>	<u>Point</u>	<u>\$</u>
49	135,470	13	17,870	4	12,175
48	130,760	12	17,515	3	11,160
47	126,220	11	17,155	2	10,090
46 (44B)	121,790	10	16,820	1	9,075
45 (44A)	117,580	9	16,490	0	8,560
44	110,170	8	16,175		
43	106,340	7	15,880		
42	101,965	6	15,560		
41	97,745	5	15,255		
40	93,710	4	14,945		
39	89,845	3	14,620		
38	85,870	2	14,330		
37	82,105	1	14,015		
36 (33C)	78,385	0	13,730		
35 (33B)	75,265				
34 (33A)	74,515				
33	73,775				
32	70,465				
31	67,295				
30	64,270				
29	61,415				
28	58,635				
27	55,995				
26	53,500				
25	51,095				
24	48,860				
23	46,655				
22	44,555				
21	42,545				
20	40,515				
19	38,595				
18	36,765				
17	35,040				
16	33,350				
15	31,750				
14	30,235				
13	28,780				
12	27,145				
11	25,545				
10	24,070				
9	22,725				
8	21,340				
7	20,035				
6	18,795				
5	17,675				
4	16,565				
3	15,560				
2	14,600				
1	13,735				
0	12,915				

<u>Training Pay Scale</u>		<u>Technician Apprentice Pay Scale</u>	
<u>Point</u>	<u>\$</u>	<u>Point</u>	<u>\$</u>
16	31,675	4	15,390
15	30,160	3	14,035
14	28,710	2	12,680
13	27,460	1	11,670
12	25,780	0	10,950
11	23,670		
10	21,735		
9	20,470		
8	19,210		
7	18,040		
6	16,945		
5	15,895		
4	14,935		
3	14,035		
2	13,150		
1	12,370		

**公務員薪俸及服務條件常務委員會**  
**Standing Commission on Civil Service Salaries and Conditions of Service**

本會檔號 Our Ref. : JS/SC6/PIU/10 Pt.21

尊函檔號 Your Ref. : CSBCR/PG/4-085/001/80

13 December 2021

Mr Nip Tak Kuen, Patrick, JP  
Secretary for the Civil Service  
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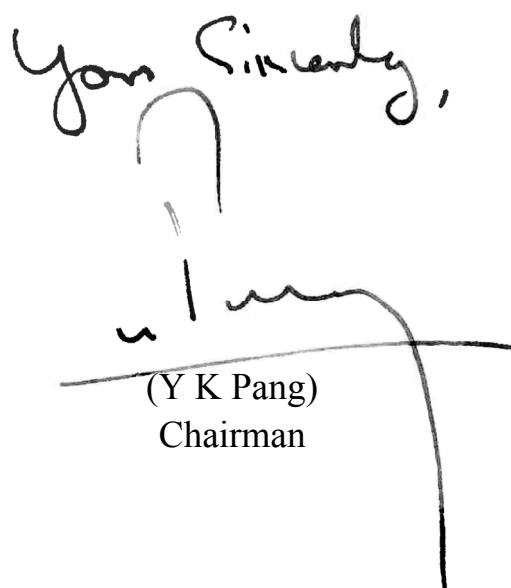
**Review of the Methodology of the Pay Trend Survey**

I am writing on behalf of the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) to offer our advice, under Clause I(d) of our terms of reference, on the methodology of the Pay Trend Survey (PTS).

The PTS is part of the civil service pay adjustment mechanism, and is conducted annually to ascertain the average year-on-year pay movements in the private sector. Since 2007, the conduct of the PTS has been based on the improved methodology as approved by the Chief Executive-in-Council in March 2007. The Pay Trend Survey Committee (PTSC), a tripartite forum comprising representatives from independent advisory bodies, the staff side and the Government, may propose changes to the PTS methodology for consideration by the Standing Commission. The Standing Commission will in turn tender its advice to the Government. In line with the established practice, the PTSC, as assisted by the Pay Survey and Research Unit, conducts a review of the PTS methodology after each round of PTS in preparation for the next and will put forth its recommendation in the form of a report to the Standing Commission for its consideration. Over the years, a number of refinements have been made to the PTS methodology in accordance with this well-established mechanism.

The PTSC has conducted the latest round of review, and recommended that the methodology of the 2021 PTS should continue to be adopted for the 2022 PTS. The key features of the 2022 PTS methodology are set out at **Annex**.

Having considered the PTSC's review report, we are pleased to inform you that the Standing Commission supports the PTSC's recommendation on the methodology for the 2022 PTS. The Standing Commission also wishes to place on record its appreciation of the dedication and professionalism of PTSC Members involved in this important review exercise.

Yours Sincerely,  
  
(Y K Pang)  
Chairman

Encl.



**Review of the Methodology of the Pay Trend Survey  
conducted by the Pay Trend Survey Committee**

**Key Features of the 2022 Pay Trend Survey Methodology**

**Overall**

The 2021 Pay Trend Survey (PTS) methodology should continue to be adopted for the 2022 PTS.

**Survey Field**

**(a) *Ratio between larger and smaller companies***

- (i) The status quo will be maintained, i.e. maintaining the ratio of 75 : 25 between the number of larger companies and that of smaller companies (with a flexibility of a deviation of around plus or minus five percentage points); and
- (ii) In working out the proposed survey field for Members' consideration, the Pay Survey and Research Unit (PSRU) will continue to increase as far as possible the number of smaller companies, in particular those with employees approaching 99 in number, within the above ratio and the range of deviation allowed.

**(b) *Distribution of companies in the survey field***

- (i) The current incremental approach will continue to be adopted in addressing the issues of the over-representation or under-representation of the individual sector in the survey field, i.e. the representation of the individual sector to be addressed by the natural wastage of companies and subsequent addition of new companies, instead of a significant addition or reduction of companies in one go; and

(ii) The PSRU will also endeavour to identify and add more new companies to the most under-represented sectors. The problem of over-representation will be addressed simultaneously when more companies are added to the under-represented sectors, and against this background, the PSRU will, in the light of the then prevailing circumstances, propose, for instance, not to identify new companies for replenishing companies lost from the over-represented sectors due to natural wastage for the PTSC's consideration.

**(c) *Components of Pay Adjustment - Merit Increase and Special Merit Pay***

(i) The PSRU will continue to collect the information on special merit pay so as to further understand and analyse the change in the number of companies that have considered special merit pay when awarding basic salary adjustments to their employees. The PSRU will also endeavour to urge the companies to provide a breakdown of salary adjustments attributable to merit increase and special merit pay.

**(d) *Other forms of rewards***

(i) The status quo will be maintained, i.e. the PSRU will continue to request the surveyed companies to provide information in relation to additional payments in the form of LTIs or other forms of rewards and report the relevant information to Members at the meeting prior to the distribution of the Pay Trend Survey Report so as to facilitate Members to decide if the company concerned should be excluded from the survey field.

