

**立法會**  
**Legislative Council**

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**Subcommittee on Members’  
Remuneration and Operating Expenses Reimbursement**

**Summary of proposals  
on the recommendations of the Subcommittee in its Second Report**

**PURPOSE**

This paper summarises the proposals regarding the recommendations of the Subcommittee on Members’ Remuneration and Operating Expenses Reimbursement (the Subcommittee) in its Second Report (LC Paper No. AS 347/04-05 in **Appendix I**) discussed at the Subcommittee’s meetings held on 26 May and 2 June 2006. These proposals will be presented to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR (the Independent Commission) on 6 June 2006.

**PROPOSALS**

2. The Subcommittee’s proposals are:

**Members’ remuneration**

Background

3. The structure of the present remuneration package for Members comprising a salary and a general expenses allowance (now known as office operation expenses) came into being in October 1991 with the introduction of direct elections to LegCo. The monthly remuneration “was intended to provide sufficient means to maintain a reasonable living for those who regard LegCo work as their main occupation; and to provide an incentive for those of modest means to come forward as candidates in LegCo elections”. At that time, the salary and general expenses allowance were \$36,000 and \$30,000 per month respectively. It cannot be traced how these figures were arrived at. The structure was fine-tuned in 1994

and has been adopted until now. A number of enhancements have been made to the remuneration package since 1993, with the major ones in 1995, 1996, 1999 and 2001. A table of Members' remuneration package from 1976 to 2006 is in **Appendix II**.

4. In 1994, the then Working Group on the Review of Allowances for Legislative Council Members, appointed by the House Committee, "after evaluating the level of responsibility and work commitment of Members on LegCo business, is of the view that these elements should be properly reflected in the remuneration which should be comparable to the salary range of the directorate officers in the Hong Kong Civil Service".

5. The then Commission on Remuneration for Members of the Legislative Council (now known as the Independent Commission) did not accept the Working Group's argument. Members of the Commission held the view that "because LegCo work is not a job, we do not find it possible to link the level of remuneration for LegCo Members to the pay scales of the civil service or pay levels in the private sector. We have therefore considered instead whether the present level of remuneration is reasonable. We are aware that there will not be any community consensus on how the level should be determined. We believe, however, whether people are coming forward as candidates in LegCo elections is not and should not be determined solely by the level of the remuneration."

6. On 20 October 2000, the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement was formed under the House Committee to consider matters relating to Members' remuneration and operating expenses reimbursement (OER).

7. On 8 December 2000, the House Committee endorsed the Subcommittee's recommendation that a comprehensive review of the remuneration package for Members should be conducted by the Independent Commission. No concrete proposal was made by that Subcommittee.

8. The Independent Commission responded to the Subcommittee's recommendation in its Report on the Review of Remuneration Package for LegCo Members in the Third Term published in October 2003. It considered that "the existing remuneration, at \$55,220 per month, puts LegCo Members at the top 2.7% of salary earners in Hong Kong as at the second quarter of 2003. The Independent Commission is satisfied that the existing level of remuneration should be sufficient to meet the said objective and concludes that the existing level of remuneration is reasonable."

9. The Subcommittee was formed again under the House Committee in the Third LegCo.

### Present proposal

10. The Subcommittee is of the view that, due to the changed political environment, the work of a LegCo Member is now regarded as a profession which requires full-time attention. Matters and activities directly or indirectly related to the business of LegCo have increased tremendously over the years. With regard to responsibility, Members play an important role in providing checks and balances to the government system and in exercising the powers and functions of LegCo as provided in Article 73 of the Basic Law of HKSAR. In view of the responsibility of LegCo Members, it is in the interest of Hong Kong that a commensurate salary should be paid to them so as to attract and retain persons of high calibre and with total commitment to the community. With reference to the level of remuneration for parliamentarians in selected overseas legislatures (LC Paper No. FS 17/05-06 in **Appendix III**), the Subcommittee considers that Members' monthly remuneration should be pitched at the directorate level in the Civil Service – an issue which had been raised by Members in 1994. It is high time that the major underlying principle in determining Members' remuneration package, i.e. LegCo membership is a form of public service, not a job, should be comprehensively and critically reviewed.

11. Although Members of the Liberal Party have no objection to the proposal in paragraph 10, they have reservations in the proposed huge increase of Members' salary from the present level at \$54,390 per month to presumably the lowest directorate pay point at \$92,650 per month.

### **Members' operating expenses reimbursement (Paragraph 4 of the Subcommittee's Second Report)**

12. The Subcommittee also recommends that the present level for Members' OER be increased by up to 20%. This is based on the fact that the variety and complexity of issues dealt with by Members and the sizes of constituencies and geographic areas served by Members have increased substantially. These facts have rendered the present level of resources provided for Members neither sufficient for setting up a reasonable number of offices in the districts they serve nor manning them with the necessary staff. Moreover, it is difficult, if not impossible, to hire experienced and high-quality staff to assist Members in dealing with the increasingly complex issues.

13. As each geographical constituency now covers more than a million residents, with a high proportion of them living in public housing estates, provision of rent free offices at these estates should also be considered.

14. Over the past three years up to 30 September 2005, the average utilization rate of the yearly reimbursable amounts was over 90%, while the average for Members elected through geographical constituencies was as high as 97%. Although only a few Members have reported their over-ceiling expenses in these years, it must be noted that most Members may have endeavoured to work within

the budget, and many of them may not have the financial resources to subsidize their LegCo work. Therefore, such a high level of utilization already indicates that the present reimbursement level is insufficient for Members to serve their constituents. (Information note on statistics on the utilization of Members' recurrent OER (LC Paper No. AS 204/05-06) in **Appendix IV** refers.)

**Members' medical benefits  
(Paragraph 14 of the Subcommittee's Second Report)**

Background

15. In 1994, the then Working Group on the Review of Allowances for Legislative Council Members considered that "Members should be given the same medical and dental benefits as available to civil servants." In the report of the then Commission on Remuneration for Members of the Legislative Council published in September 1994, it responded that members of the Commission "do not consider this suggestion consistent with our earlier conclusion that LegCo work is not a job, and believe that Members should pay for their own medical and dental expenses from the remuneration paid to them." However, in June 1995, a newly appointed Commission of Remuneration for Members of the Legislative Council, after examining comments from various groups on the Report of the former Commission, took a slightly different view. Members of that Commission "have doubts about the practical value of offering civil servants medical and dental benefits to LegCo Members as suggested by the LegCo Working Group. This proposal also has wider resource implications. However, we are of the view that LegCo Members should be allowed to use their monthly expenses allowance, rather than their remuneration as proposed by the former Commission, to cover their medical and dental insurance expenses."

Present proposal

16. In respect of the reimbursement year of 2004-05 only six Members claimed reimbursement for personal medical insurance cover. The total reimbursement payments amounted to \$22,705. This reflects that the existing arrangement of reimbursing payments of personal medical and dental insurance under OER is not useful to Members. With the already inadequate level of OER, Members do not even have sufficient funds to cover essential expenses, such as employment of more and better quality staff, let alone personal medical and dental insurance. Moreover, it is common insurance practice to exclude certain pre-existing medical conditions from medical insurance cover. In the light of this, Members request that similar medical benefits to those for senior civil servants should be provided to Members. It is noted that senior staff in the LegCo Secretariat are also provided with such benefits. The addition of 60 clientele, who, as residents of Hong Kong, is in any case entitled to certain medical benefits for civil servants, will not impose a burden on the medical facilities for civil servants. Furthermore, this proposal is more cost-effective and comprehensive than setting up a corporate medical plan for Members, as suggested by the Administration. It is considered opportune to revive an issue which had been raised by Members as long

ago as 1994. (Information on medical benefits for directorate officers in the Civil Service and the LegCo Secretariat (LC Paper No. AS 205/05-06) is in **Appendix V.**)

## **Members' retirement benefits (Paragraphs 15 – 16 of the Subcommittee's Second Report)**

### Background

17. The Independent Commission has been of the view that “a retirement scheme for LegCo Members with government contribution may only be justified if it is premised upon the view that LegCo membership is a full-time job. Under this notion, logically, the need would arise for LegCo Members to declare, and restrictions to be imposed on LegCo Members' outside employment and earnings, as are the cases in some major overseas jurisdictions”.

### Present proposal

18. The increasing number of full-time Members is an indication that more people are taking up the work of LegCo Member as a career. (14 out of 60 Members in the Third LegCo declare themselves as full-time Members.) In recognition of their long-term contribution to the community, they should be provided with retirement benefits.

19. From the fact sheet (LC Paper No. FS15/05-06) in **Appendix VI**, it is shown that all selected legislatures under research (viz. the House of Representatives in the United States, the House of Commons in the United Kingdom, the House of Commons in Canada, and the Legislative Assembly in the State of New South Wales in Australia) provide retirement benefits for Members. In Canada and New South Wales, the retirement benefits for Members are generally considered to be more generous than those available to senior civil servants. Having regard to the practice in these selected overseas legislatures, Members consider that retirement benefits should be provided for them, calculated on the basis of the benefits granted to senior government agreement officers at the directorate level. When a Member ceases his/her membership with the Legislative Council, he/she should be granted a gratuity at 15% of his/her total salary received during his/her tenure of office. Information on retirement benefits for newly appointed senior government officers is in **Appendix VII**.

20. The Subcommittee would particularly like to draw the Independent Commission's attention to the Chief Executive's response to a question raised at the Chief Executive's Question & Answer Session on 12 January 2006 concerning the setting up of a retirement protection scheme for persons participating at different levels of government and political affairs. He remarked, inter alia, that “we (the Administration) fully understand that, in the past, people participated in government and political affairs in a part-time capacity, but now we can see from Members' workload and dedication that they have assumed a different attitude towards this job. With regard to this (the case of Mr Lam Chak-piu, a member of the Urban Council from 1983 to 1991) incident, I will take into account the actual situation of Members

and adopt more positive and proactive measures. Perhaps we could start with LegCo and consider this issue step by step.” (An extract from the relevant Hansard is in **Appendix VIII**).

21. It is evident from the Chief Executive’s remarks above that the Administration accepts that Members nowadays do not deal with LegCo business in a part-time capacity. In this light, the Subcommittee strongly urges the Independent Commission to critically review the major underlying principle in determining Members’ remuneration package, i.e. LegCo membership is a form of public service, not a job.

**Timing of implementing changes to Members remuneration package  
(Paragraph 10 – 12 of the Subcommittee’s Second Report)**

Background

22. It has been a long established practice that substantial changes to the remuneration package (including the level of OER) proposed in one LegCo term should only be implemented in the following term. Annual adjustment to Members’ remuneration and OER is made in October by reference to the Consumer Price Index (C).

Present proposal

23. Taking into account the practices in overseas legislatures, Members consider that any changes to Members’ remuneration package as proposed by the Subcommittee should be implemented as soon as possible (preferably with effect from the commencement of the 2006-07 legislative session in October 2006).

24. Although Members of the Liberal Party have no objection to this proposal, they are of the view that, to be consistent with their stand on the review of remuneration for District Council Members, the proposed changes should be effective in the following term.

\* \* \* \* \*

N o t e

**Appendix I** to this paper is already reproduced as Annex C to the Report of the Independent Commission.

Remuneration and Reimbursement Package for Non-official Members of the Legislative Council

Remuneration/Reimbursement for non-official Members of the Legislative Council		76 to 85	85 to 87	87 to 91	10/91 to 9/92	10/92 to 4/93	5/93 to 9/93	10/93 to 9/94	10/94 to 9/95
Remuneration	<u>Monthly Remuneration</u>								
	President						78,800	86,500	97,050
	Deputy President				72,000	78,800	Note		
	President's Deputy						59,100	64,875	72,790
	Member				36,000	39,400	39,400	43,250	48,525
	Stipend for Member		8,500						
	Member who also serves on the Executive Council (2/3 of the amount payable to those who do not serve on the ExCo)					24,000	26,270	26,270	28,830
% increase/decrease over previous year (approximate)							+9.77%	+12.2%	
Expenses Reimbursement	<u>Monthly Operating Expenses Reimbursement</u>								
	Non-accountable general expenses allowance	4,000	4,000	21,300 (consolidated allowance & stipend)	30,000	32,700			
	General expenses allowance, made up of						73,000	73,000	81,905
	• Accountable office and staff costs						-63,000	-63,000	-70,685
	• Non-accountable entertainment and travelling expenses						-10,000	-10,000	-11,220
	President's annual accountable entertainment allowance						120,000	120,000	134,640
	Deputy President's annual accountable entertainment allowance				60,000	65,400	Note		
<u>Other Financial Assistance to LegCo Members per LegCo term</u>							<u>Per term / one-off</u>		
Setting up expenses reimbursement for new office							100,000	100,000	100,000
Winding up expenses reimbursement							73,000	73,000	81,905

Note : The office of the Deputy President lapsed in February 1993 when the presidency of LegCo was first filled by election amongst non-official LegCo Members. Before that, the Governor was the ex officio President of LegCo.

Remuneration and Reimbursement Package for Members of the Legislative Council

	10/95 to 9/96		10/96 to 9/97		10/97 to 9/98	10/98 to 9/99		10/99 to 9/00	10/00 to 9/01	10/01 to 9/02	10/02 to 9/03	10/03 to 9/04	10/04 to 9/05	10/05 to 9/06
	up to 12.4.96	w.e.f. 13.4.96	up to 9.1.97	w.e.f. 10.1.97		up to 30.6.99	w.e.f. 1.7.99							
<b>Remuneration/Reimbursement for Members of the Legislative Council</b>	<u>Per month</u>		<u>Per month</u>		<u>Per month</u>	<u>Per month</u>		<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>
<b>Remuneration</b>	<u>Per month</u>		<u>Per month</u>		<u>Per month</u>	<u>Per month</u>		<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>	<u>Per month</u>
President	106,760		114,660		121,650	127,730		125,180	118,800	116,420	113,740	110,440	108,340	108,770
President's Deputy	80,070		86,000		91,250	95,810		93,890	89,100	87,320	85,310	82,840	81,270	81,600
Member	53,380		57,330		60,830	63,870		62,590	59,400	58,210	56,870	55,220	54,170	54,390
Member who also serves on the Executive Council (2/3 of the amount payable to those who do not serve on the ExCo)	35,590		38,220		40,550	42,580		41,730	39,600	38,810	37,910	36,810	36,110	36,260
% increase/decrease over previous year (approximate)	+ 10%		+ 7.4%		+ 6.1%	+ 5%		- 2%	- 5.1%	- 2%	-2.3%	-2.9%	-1.9%	+0.4%
<b>Operating Expenses Reimbursement</b>	<u>Per month</u>		<u>Per month</u>		<u>Per month</u>	<u>Per month</u>		<u>Per month</u>	<u>Per month</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>
Accountable component for office operation (OOER), made up of	86,390		92,780		98,440	103,360	103,360	101,290	96,120	1,430,370	1,397,470	1,356,940	1,331,160	1,336,490
• <i>Operating Expenses Reimbursement</i>	-74,050		-79,530		-84,380	-88,600								
• <i>District Office Reimbursement</i>	-12,340		-13,250		-14,060	-14,760								
Entertainment and travelling (ETER), made up of	12,340	12,340	13,250		14,060	14,760	14,760 *1	14,460 *1	13,720 *1	161,350 *1	157,640 *1	153,070 *1	150,160 *1	150,760 *1
• <i>Non-accountable component</i>	-3,702	-6,170	-6,625		-7,030	-7,380	-14,760	-14,460	-13,720	-161,350	-157,640	-153,070	-150,160	-150,760
• <i>Accountable component</i>	-8,638	-6,170	-6,625		-7,030	-7,380								
<b>Total</b>	<b>98,730</b>		<b>106,030</b>		<b>112,500</b>	<b>118,120</b>		<b>115,750</b>	<b>109,840</b>	<b>1,591,720</b>	<b>1,555,110</b>	<b>1,510,010</b>	<b>1,481,320</b>	<b>1,487,250</b>
<b>Expenses Reimbursement</b>	<u>Per year</u>		<u>Per year</u>		<u>Per year</u>	<u>Per year</u>		<u>Per year</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>	<u>Per year</u>
President's Entertainment Reimbursement, made up of	148,100		159,060		168,760	177,200		173,660	164,800	161,500	157,790	153,210	150,300	150,900
• <i>Non-accountable component</i>	-44,430		-47,718		-50,628	-53,160		-52,100	-49,440	-48,450	-47,340	-45,960	-45,090	-45,270
• <i>Accountable component</i>	-103,670		-111,342		-118,132	-124,040		-121,560	-115,360	-113,050	-110,450	-107,250	-105,210	-105,630
Other Financial Assistance to LegCo Members per LegCo term	<u>Per term / one-off</u>		<u>Per term / one-off</u>		<u>Per term / one-off</u>	<u>Per term / one-off</u>		<u>Per term / one-off</u>	<u>Per term / one-off</u>	<u>Per term / one-off</u>	<u>Per term / one-off</u>	<u>Per term / one-off</u>	<u>Per term / one-off</u>	<u>Per term / one-off</u>
Setting Up Expenses Reimbursement <sup>2</sup> , made up of	150,000		150,000		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
• <i>Secretariat-provided office</i>	-50,000		-50,000		-50,000	-50,000								
• <i>District office</i>	-100,000		-100,000		-100,000	-100,000								
Winding Up Expenses Reimbursement, made up of														
• <i>Fixed amount; plus</i>	180,000		180,000	92,780	98,440	103,360		101,290	96,120	119,198	116,456	113,078	110,930	111,374
• <i>No preset ceiling for severance pay</i>				<i>actual</i>	<i>actual</i>	<i>actual</i>		<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>
Information Technology and Communication Equipment Expenses Reimbursement						100,000		100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Cashflow Assistance</b>														
Operating Fund (i.e. loan from LegCo Secretariat)														
• <i>OOER &amp; ETER (running balance no more than two months' reimbursable amount)</i>					225,000	236,240		231,500	219,680	265,287	259,185	251,668	246,887	247,875
• <i>Setting up (no more than unclaimed balance)</i>					150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000	150,000
• <i>Information Technology (no more than unclaimed balance)</i>						100,000		100,000	100,000	100,000	100,000	100,000	100,000	100,000

\*1 50 % of the amount may be used for employing staff on an accountable basis

\*2 A re-elected member who has claimed any setting up expenses reimbursement in the previous term may only be eligible to claim up to 50% of the reimbursement ceiling. Nevertheless, a Member may claim up to 100% of the reimbursement ceiling in certain circumstances such as change of constituency or expiry of tenancy agreement.

## FACT SHEET

Annual Salary<sup>1</sup> of Major Office-holders in Selected Overseas Legislatures<sup>2</sup> and Governments<sup>3</sup> (as of May 2006)

	Hong Kong	United States	United Kingdom	Canada	New South Wales of Australia
<b>Member of legislature</b>	HK\$652,680	US\$165,200 (HK\$1,280,000)	£ 59,095 (HK\$850,000)	CAN\$147,700 (HK\$1,035,000)	AU\$110,650 (HK\$650,000)
<b>President/Speaker of legislature</b>	HK\$1,305,240	US\$208,100 (HK\$1,614,000)	£ 133,997 (HK\$1,930,000)	CAN\$218,500 (HK\$1,530,000)	AU\$173,721 (HK\$1,020,000)
<b>President's Deputy/ Deputy Speaker of legislature</b>	HK\$979,200	Not applicable	£ 97,949 (HK\$1,410,000)	CAN\$184,500 (HK\$1,293,000)	AU\$143,845 (HK\$846,000)
<b>Head of government: Chief Executive/ President/ Prime Minister/ Premier</b>	HK\$2,934,780 (excluding all other entitlements)	US\$400,000 (HK\$3,100,000)	£ 183,932 (HK\$2,650,000)	CAN\$295,400 (HK\$2,070,000)	AU\$215,768 (HK\$1,270,000)
<b>Cabinet Minister</b>	Principal officer: <sup>4</sup> HK\$3,219,660 (including salary and all other entitlements)	US\$180,100 (HK\$1,400,000)	£ 133,997 (HK\$1,930,000)	CAN\$218,500 (HK\$1,530,000)	AU\$173,721 (HK\$1,020,000)
<b>Statutory contribution rate of retirement plan for Member of legislature</b>	Member is not entitled to any retirement benefit	<ul style="list-style-type: none"> <li>8% of Member's salary under the Civil Service Retirement System; or</li> <li>1.3% of Member's salary under the Federal Employees' Retirement System</li> </ul>	10% of Member's salary	7% of Member's salary	Member needs not contribute; government's contribution is equal to 12.5% of Member's salary

<sup>1</sup> Excluding all other entitlements.

<sup>2</sup> The legislatures are the United States House of Representatives, the United Kingdom House of Commons, the Canadian House of Commons and the New South Wales Legislative Assembly.

<sup>3</sup> The governments are the federal government of the United States, the central government of the United Kingdom, the federal government of Canada and the state government of New South Wales.

<sup>4</sup> Excluding the Chief Secretary, the Financial Secretary and the Secretary for Justice.

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Ref: AM 12/01/19 (04-08)

**Subcommittee on Members' Remuneration  
and Operating Expenses Reimbursement**

**Information Note**

**Statistics on the utilization of  
Members' recurrent operating expenses reimbursement**

**Purpose**

This information note reports on Members' utilization of the Office Operation Expenses Reimbursement (OOER) and Entertainment and Travelling Expenses Reimbursement (ETER) in the past three reimbursement years ended on 30 September 2005.

**Statistics**

2. Statistics on the following are shown in the appendices:
  - (A) Average annual reimbursements and utilization rates in respect of:
    - (i) OOER (**Appendix I**)
    - (ii) ETER (**Appendix II**)
  - (B) Distribution of Members according to their respective utilization rates of:
    - (i) OOER (**Appendix III**)
    - (ii) ETER (**Appendix IV**)
  - (C) Over-ceiling expenses not reimbursed (**Appendix V**)

**Observations**

Office Operation Expenses Reimbursement

3. The following summary indicates that on average Members elected through Geographical Constituencies (GC Members) utilized about 97.0% of the OOER, while Members elected through Functional Constituencies (FC Members) utilized about 86.5%:

	2002/03		2003/04		2004/05	
	\$'000	%	\$'000	%	\$'000	%
Annual reimbursement ceiling	1,397	100	1,357	100	1,331	100
Average reimbursement						
Overall average	1,280	91.6	1,229	90.6	1,218	91.5
EC average	1,266	90.6	1,179	86.9	—	—
FC average	1,206	86.3	1,183	87.2	1,144	86.0
GC average	1,375	98.4	1,299	95.7	1,291	97.0

EC = Election Committee

FC = Functional Constituencies

GC = Geographical Constituencies

4. FC Members' and GC Members' average utilization rates over the past three years fluctuated only within three percentage points.

5. The following table shows the number of Members who used over 99% of the OOER:

2002/03				2003/04				2004/05			
Overall	EC	FC	GC	Overall	EC	FC	GC	Overall	EC	FC	GC
31	2	9	20	27	1	10	16	24	—	6	18

#### Entertainment and Travelling Expenses Reimbursement

6. The following summary indicates that on average GC Members utilized about 95.2% of the ETER, while FC Members utilized about 89.5%:

	2002/03		2003/04		2004/05	
	\$'000	%	\$'000	%	\$'000	%
Annual reimbursement ceiling	158	100	153	100	150	100
Average reimbursement						
Overall average	148	93.6	141	92.1	137	91.2
EC average	157	99.7	139	90.5	—	—
FC average	143	90.5	137	89.4	133	88.5
GC average	151	96.0	147	95.8	141	93.8

7. FC Members' and GC Members' average utilization rates in respect of ETER over the past three years also fluctuated only within three percentage points.

8. The following table shows the number of Members who used over 99% of the ETER:

2002/03				2003/04				2004/05			
Overall	EC	FC	GC	Overall	EC	FC	GC	Overall	EC	FC	GC
52	6	24	22	46	3	21	22	47	—	20	27

Over-ceiling Expenses

9. In the most recent year, only three Members have reported their over-ceiling expenses. Previously, some Members expressed the following reservations about the usefulness of the statistics on over-ceiling expenses in determining the level of resources required by Members for carrying out their LegCo duties:

- (a) Lack of manpower rendered it difficult to report on expenses which would not be reimbursed;
- (b) Members might have endeavoured to work within the budget; and
- (c) Some Members might not have the financial resources to subsidize their LegCo work.

\* \* \* \* \*

**Average annual reimbursements and utilization rates of  
Office Operation Expenses Reimbursement per Member**

**Overall**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>1,397,470</b>	<b>100</b>	<b>1,356,940</b>	<b>100</b>	<b>1,331,160</b>	<b>100</b>
<b>Average reimbursement total</b>	<b>1,279,684</b>	<b>91.6</b>	<b>1,228,764</b>	<b>90.6</b>	<b>1,217,721</b>	<b>91.5</b>
Staff remuneration and expenses	909,176	65.1	879,123	64.8	911,869	68.5
Office accommodation	121,539	8.7	120,276	8.9	103,294	7.8
Equipment and furniture	14,643	1.0	9,725	0.7	19,575	1.5
Other operating expenses	234,326	16.8	219,640	16.2	182,983	13.7

**Election Committee**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>1,397,470</b>	<b>100</b>	<b>1,356,940</b>	<b>100</b>	—	—
<b>Average reimbursement total</b>	<b>1,265,873</b>	<b>90.6</b>	<b>1,179,468</b>	<b>86.9</b>	—	—
Staff remuneration and expenses	899,952	64.4	828,356	61.0	—	—
Office accommodation	177,089	12.7	175,617	12.9	—	—
Equipment and furniture	17,811	1.3	2,177	0.2	—	—
Other operating expenses	171,021	12.2	173,318	12.8	—	—

**Functional Constituencies**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>1,397,470</b>	<b>100</b>	<b>1,356,940</b>	<b>100</b>	<b>1,331,160</b>	<b>100</b>
<b>Average reimbursement total</b>	<b>1,206,167</b>	<b>86.3</b>	<b>1,182,768</b>	<b>87.2</b>	<b>1,144,362</b>	<b>86.0</b>
Staff remuneration and expenses	857,155	61.3	849,181	62.6	866,099	65.1
Office accommodation	92,083	6.6	86,806	6.4	79,274	6.0
Equipment and furniture	10,539	0.8	5,288	0.4	11,258	0.8
Other operating expenses	246,390	17.6	241,493	17.8	187,731	14.1

**Geographical Constituencies**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>1,397,470</b>	<b>100</b>	<b>1,356,940</b>	<b>100</b>	<b>1,331,160</b>	<b>100</b>
<b>Average reimbursement total</b>	<b>1,375,032</b>	<b>98.4</b>	<b>1,298,582</b>	<b>95.7</b>	<b>1,291,080</b>	<b>97.0</b>
Staff remuneration and expenses	976,509	69.9	929,243	68.5	957,639	71.9
Office accommodation	144,470	10.3	148,278	10.9	127,314	9.6
Equipment and furniture	18,982	1.4	17,157	1.3	27,893	2.1
Other operating expenses	235,071	16.8	203,904	15.0	178,234	13.4

**Average annual reimbursements and utilization rates of  
Entertainment and Travelling Expenses Reimbursement per Member**

**Overall**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>157,640</b>	<b>100</b>	<b>153,070</b>	<b>100</b>	<b>150,160</b>	<b>100</b>
<b>Average reimbursement total</b>	<b>147,579</b>	<b>93.6</b>	<b>140,945</b>	<b>92.1</b>	<b>136,878</b>	<b>91.2</b>
Entertainment and travelling expenses	142,354	90.3	135,404	88.5	130,720	87.1
Staff remuneration	5,225	3.3	5,541	3.6	6,158	4.1

**Election Committee**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>157,640</b>	<b>100</b>	<b>153,070</b>	<b>100</b>	—	—
<b>Average reimbursement total</b>	<b>157,218</b>	<b>99.7</b>	<b>138,577</b>	<b>90.5</b>	—	—
Entertainment and travelling expenses	147,833	93.8	138,577	90.5	—	—
Staff remuneration	9,385	5.9	—	—	—	—

**Functional Constituencies**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>157,640</b>	<b>100</b>	<b>153,070</b>	<b>100</b>	<b>150,160</b>	<b>100</b>
<b>Average reimbursement total</b>	<b>142,677</b>	<b>90.5</b>	<b>136,846</b>	<b>89.4</b>	<b>132,925</b>	<b>88.5</b>
Entertainment and travelling expenses	141,074	89.5	134,709	88.0	130,575	87.0
Staff remuneration	1,603	1.0	2,137	1.4	2,350	1.6

**Geographical Constituencies**

	Oct 2002 to Sep 2003		Oct 2003 to Sep 2004		Oct 2004 to Sep 2005	
	\$	%	\$	%	\$	%
<b>Reimbursement ceiling (annual)</b>	<b>157,640</b>	<b>100</b>	<b>153,070</b>	<b>100</b>	<b>150,160</b>	<b>100</b>
<b>Average reimbursement total</b>	<b>151,296</b>	<b>96.0</b>	<b>146,660</b>	<b>95.8</b>	<b>140,831</b>	<b>93.8</b>
Entertainment and travelling expenses	142,585	90.5	135,479	88.5	130,865	87.2
Staff remuneration	8,711	5.5	11,181	7.3	9,966	6.6

## Distribution of Members according to their respective utilization rates of Office Operation Expenses Reimbursement

Utilization rate (%)	2002/03				2003/04				2004/05			
	Overall	EC	FC	GC	Overall	EC	FC	GC	Overall	EC	FC	GC
100	26 (43.2)	1 (16.7)	7 (23.3)	18 (75.0)	20 (33.3)	1 (16.7)	7 (23.3)	12 (50.0)	13 (21.7)	—	3 (10.0)	10 (33.3)
99 to <100	5 (8.3)	1 (16.7)	2 (6.7)	2 (8.3)	7 (11.7)	—	3 (10.0)	4 (16.7)	11 (18.3)	—	3 (10.0)	8 (26.7)
90 to <99	13 (21.7)	1 (16.7)	9 (30.0)	3 (12.5)	12 (20.0)	—	8 (26.7)	4 (16.7)	19 (31.7)	—	11 (36.7)	8 (26.7)
80 to <90	4 (6.7)	2 (33.2)	2 (6.7)	—	8 (13.3)	4 (66.6)	2 (6.7)	2 (8.3)	9 (15.0)	—	5 (16.7)	4 (13.3)
70 to <80	7 (11.7)	1 (16.7)	5 (16.7)	1 (4.2)	8 (13.3)	1 (16.7)	6 (20.0)	1 (4.2)	2 (3.3)	—	2 (6.7)	—
60 to <70	4 (6.7)	—	4 (13.3)	—	4 (6.7)	—	3 (10.0)	1 (4.1)	4 (6.7)	—	4 (13.3)	—
50 to <60	—	—	—	—	—	—	—	—	1 (1.7)	—	1 (3.3)	—
40 to <50	1 (1.7)	—	1 (3.3)	—	1 (1.7)	—	1 (3.3)	—	1 (1.6)	—	1 (3.3)	—
<b>Total no. of Members</b>	<b>60 -100</b>	<b>6 -100</b>	<b>30 -100</b>	<b>24 -100</b>	<b>60 -100</b>	<b>6 -100</b>	<b>30 -100</b>	<b>24 -100</b>	<b>60 -100</b>	<b>0 0</b>	<b>30 -100</b>	<b>30 -100</b>

( ) = No. of Members expressed as a percentage of all the Members in the corresponding category noted at the top of the column

EC = Election Committee

FC = Functional Constituencies

GC = Geographical Constituencies

## Distribution of Members according to their respective utilization rates of Entertainment and Travelling Expenses Reimbursement

Utilization rate (%)	2002/03				2003/04				2004/05			
	Overall	EC	FC	GC	Overall	EC	FC	GC	Overall	EC	FC	GC
100	45 (75.0)	4 (66.7)	19 (63.3)	22 (91.6)	41 (68.4)	3 (50.0)	17 (56.7)	21 (87.5)	43 (71.7)	—	17 (56.7)	26 (86.7)
99 to <100	7 (11.7)	2 (33.3)	5 (16.7)	—	5 (8.3)	—	4 (13.3)	1 (4.2)	4 (6.7)	—	3 (10.0)	1 (3.3)
90 to <99	1 (1.6)	—	—	1 (4.2)	5 (8.3)	2 (33.3)	2 (6.7)	1 (4.2)	3 (5.0)	—	3 (10.0)	—
50 to <90	4 (6.7)	—	4 (13.3)	—	6 (10.0)	1 (16.7)	5 (16.6)	—	6 (10.0)	—	5 (16.7)	1 (3.3)
20 to <50	—	—	—	—	—	—	—	—	1 (1.7)	—	—	1 (3.3)
0 to <20	3 (5.0)	—	2 (6.7)	1 (4.2)	3 (5.0)	—	2 (6.7)	1 (4.1)	3 (5.0)	—	2 (6.6)	1 (3.4)
<b>Total no. of Members</b>	<b>60 (100)</b>	<b>6 (100)</b>	<b>30 (100)</b>	<b>24 (100)</b>	<b>60 (100)</b>	<b>6 (100)</b>	<b>30 (100)</b>	<b>24 (100)</b>	<b>60 (100)</b>	<b>0 0</b>	<b>30 (100)</b>	<b>30 (100)</b>

( ) = No. of Members expressed as a percentage of all the Members in the corresponding category noted at the top of the column

EC = Election Committee

FC = Functional Constituencies

GC = Geographical Constituencies

## Over-ceiling expenses not reimbursed

2004/05<sup>1</sup>

Member	Expenses in excess of the ceiling for							
	OOER						ETER	
	Staff remuneration and expenses \$'000	Office accommodation \$'000	Equipment and furniture \$'000	Other operating expenses \$'000	Annual total \$'000	Over-ceiling %	Entertainment expenses \$'000	Over-ceiling %
<b>Geographical Constituencies</b>								
A				2	2	0.2		
B	51	16		0	67	5.0		
Sub-total	51	16	0	2	69	2.6	0	0.0
<b>Functional Constituencies</b>								
C				2	2	0.2		
Sub-total	0	0	0	2	2	0.2	0	0.0
<b>Total</b>	51	16	0	4	71	1.8	0	0.0

<sup>1</sup> Out of the 13 Members who fully claimed the reimbursable amount under OOER, only 3 reported their over-ceiling expenses to the Secretariat.

2003/04<sup>2</sup>

Member	Expenses in excess of the ceiling for							
	OOER						ETER	
	Staff remuneration and expenses \$'000	Office accommodation \$'000	Equipment and furniture \$'000	Other operating expenses \$'000	Annual total \$'000	Over-ceiling %	Entertainment expenses \$'000	Over-ceiling %
<b>Geographical Constituencies</b>								
A	124	51		6	181	13.3		
B	74	18		20	112	8.3		
C	70	5		2	77	5.7		
D	36	19		2	57	4.2		
Sub-total	304	93	0	30	427	7.9	0	0.0
<b>Functional Constituencies</b>								
E	41	4		1	46	3.4		
Sub-total	41	4	0	1	46	3.4	0	0.0
<b>Total</b>	345	97	0	31	473	7.0	0	0.0

<sup>2</sup> Out of the 20 Members who fully claimed the reimbursable amount under OOER, only 5 reported their over-ceiling expenses to the Secretariat.

2002/03<sup>3</sup>

Member	Expenses in excess of the ceiling for							
	OOER						ETER	
	Staff remuneration and expenses \$'000	Office accommodation \$'000	Equipment and furniture \$'000	Other operating expenses \$'000	Annual total \$'000	Over-ceiling %	Entertainment expenses \$'000	Over-ceiling %
<b>Geographical Constituencies</b>								
A			1		1	0.1	10	6.3
B	132	5		6	143	10.2	7	4.4
C	100	22	3	42	167	12.0		
D	5	14		19	38	2.7		
E	138	3		1	142	10.2		
Sub-total	375	44	4	68	491	7.0	17	2.1
<b>Functional Constituencies</b>								
Sub-total	0	0		0	0	0.0	0	0.0
<b>Total</b>	375	44	4	68	491	7.0	17	2.1

<sup>3</sup> Out of the 26 Members who fully claimed the reimbursable amount under OOER, only 5 reported their over-ceiling expenses to the Secretariat; out of the 45 Members who fully claimed the reimbursable amount under ETER, only 2 reported their over-ceiling expenses to the Secretariat.

**Subcommittee on Members' Remuneration and  
Operating Expenses Reimbursement**

**Medical benefits for Directorate officers in the Civil Service and the LegCo Secretariat**

Medical benefits	Eligibility	Details	Charges																
<b>In Hong Kong</b>																			
<b>A. Out-patient benefits</b>	<i>For officers appointed before 1.6.2000</i> These benefits will be provided to them and their families* during their service with the Civil Service and after their retirement.	Medical advice and treatment, X-ray examination and medicines provided by the Government or Hospital Authority.	Free of charge																
<b>B. Hospital maintenance</b>	<i>For officers appointed on or after 1.6.2000</i> These benefits will be provided to them and their families* during their service with the Civil Service only.	An officer may choose the class of hospital accommodation he wishes to occupy, provided that the accommodation asked for is available and is considered suitable by the Medical Officer in charge of the hospital.	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Class of accommodation</i></th> <th style="text-align: right;"><i>Daily rate</i></th> </tr> </thead> <tbody> <tr> <td>First class beds</td> <td style="text-align: right;">\$304</td> </tr> <tr> <td>Second class beds</td> <td style="text-align: right;">\$226</td> </tr> <tr> <td>Special accommodation beds</td> <td style="text-align: right;">\$197</td> </tr> <tr> <td colspan="2">Public beds:</td> </tr> <tr> <td style="padding-left: 20px;">European diet</td> <td style="text-align: right;">\$147</td> </tr> <tr> <td style="padding-left: 20px;">Special Asian diet</td> <td style="text-align: right;">\$ 99</td> </tr> <tr> <td style="padding-left: 20px;">Asian diet</td> <td style="text-align: right;">\$ 49</td> </tr> </tbody> </table>	<i>Class of accommodation</i>	<i>Daily rate</i>	First class beds	\$304	Second class beds	\$226	Special accommodation beds	\$197	Public beds:		European diet	\$147	Special Asian diet	\$ 99	Asian diet	\$ 49
<i>Class of accommodation</i>	<i>Daily rate</i>																		
First class beds	\$304																		
Second class beds	\$226																		
Special accommodation beds	\$197																		
Public beds:																			
European diet	\$147																		
Special Asian diet	\$ 99																		
Asian diet	\$ 49																		
<b>C. Dental Benefits</b>		Dental treatment may be obtained from Government dental clinics. Emergency treatment is also available at Government dental clinics during normal hours upon request.	Conservative dental treatment is provided free of charge. A charge is made for dentures, dental appliances and other restorations.																
<b>D. Annual medical examination</b>	Restricted to serving Directorate officers at D3 and above.	The programme includes medical history, physical examination, investigations such as blood chemistry, urine examination, chest X-ray and electrocardiogram.  The examination may be obtained from the Hong Kong Families Clinic by appointment.	Free of charge																
<b>Outside Hong Kong</b>																			
Subject to the circumstances as stipulated in the Civil Service Regulations, an officer on duty visit, paid study leave, vacation or annual leave outside Hong Kong may claim full or partial reimbursement of medical expenses incurred by him or eligible accompanying family members.																			

\* "Family" means the officer's spouse and unmarried children under the age of 19. It also includes unmarried children aged 19 or over but under 21 who are in full-time education or vocational training or who on account of physical or mental infirmity are dependent on the officer.

## FACT SHEET

### Preliminary Observations on the Retirement and Medical Benefits for Members in Selected Overseas Legislatures

#### 1. Introduction

1.1 In January 2006, the Legislative Council Commission requested the Research and Library Services Division to conduct a research on the budgetary arrangements for overseas legislatures. One of the issues covered by the research, which is going to be completed by June 2006, is on whether Members of overseas legislatures are entitled to retirement and medical benefits. This fact sheet presents the preliminary observations on the issue to facilitate the deliberation of the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement.

1.2 The overseas legislatures studied in the research are the House of Representatives in the United States (US), the House of Commons in the United Kingdom (UK), the House of Commons in Canada, and the Legislative Assembly in the State of New South Wales (NSW) in Australia.

#### 2. Retirement benefits

2.1 The research finds that all selected legislatures provide retirement benefits to Members.

##### House of Representatives in the United States

2.2 In the US, Members are covered by one of the following retirement arrangements, which are developed by Congress but administered by the federal government:

- (a) full coverage under both the Civil Service Retirement System (CSRS) and the Social Security System;
- (b) the "CSRS Offset" plan, which includes both CSRS and the Social Security System, with CSRS contributions and benefits being reduced by Social Security contributions and benefits;
- (c) the Federal Employees' Retirement System (FERS) plus the Social Security System; or
- (d) the Social Security System alone.

2.3 While the Social Security System is jointly financed by Members and the federal government, all the other plans involved in these retirement arrangements are jointly financed by Members and Congress. Taking into account the uncertain tenure of congressional service, both CSRS and FERS require Members and the responsible authorities to make more contribution than most other federal employees so as to gain larger retirement benefits. Under CSRS, the contribution rate for federal employees is 7% of their salaries, while that for their employing agencies is 7% of payroll. The contribution rate for Members is 8% of their salaries, while that for Congress is 8% of payroll. Under FERS, the contribution rate for federal employees is 0.8% of their salaries, while that for their employing agencies is about 10.7% of payroll. The contribution rate for Members is 1.3% of their salaries, while that for Congress is 15.8% of payroll.

#### House of Commons in the United Kingdom

2.4 In the UK, all Members are entitled to participate in the Parliamentary Contributory Pension Fund provided by the UK Parliament. The Fund is the retirement scheme for not only Members but also government ministers. It is contributed by both participants and the government. The contribution rate for Members is 10% of their salaries, while the government's contributions are paid at a rate recommended from time to time by the Government Actuary. The Fund is administered by a trustee comprising nine members, eight of whom are Members.

#### House of Commons in Canada

2.5 In Canada, all Members are required to participate in the retirement scheme under the Members of Parliament Retiring Allowance Act. The contribution rate for Members is 7% of their salaries. The government's contribution rate varies from year to year, depending on the financial performance of the retirement scheme. According to Parliament, the retirement benefits for Members are generally considered to be more generous than those available to senior civil servants.

#### Legislative Assembly in the State of New South Wales

2.6 In NSW, Members are entitled to participate in the Parliamentary Contributory Superannuation Fund established by the NSW Parliament. The NSW government contributes monthly to the Fund an amount equivalent to 12.5% of a Member's salary. Members can also contribute to the Fund on a voluntary basis. The Fund is administered by a trustee, with most members being Members of the Legislative Assembly. According to the Legislative Assembly, the retirement benefits for Members are generally considered to be more generous than those available to senior civil servants.

### 3. Medical benefits

3.1 The research finds that Members in the US and Canada are entitled to medical benefits as part of their remuneration package. In the UK, Members are only provided with in-house medical services while working at Parliament. In NSW, Members are not entitled to any medical benefits or services provided by the Legislative Assembly or the state government.

#### House of Representatives in the United States

3.2 In the US, Members are eligible to participate in the Federal Employees Health Benefits Program (FEHBP) on a voluntary basis, as serving and retired federal employees do. Under the programme, Members can select from among a variety of health benefit plans with varying levels of benefits and premiums. The federal government pays not more than 75% of the total premium for any plan selected by a participant. In addition, similar to federal employees, Members are automatically enrolled in the Basic Life Insurance under the Federal Employees' Group Life Insurance (FEGLI) Program. The cost of the Basic Life Insurance is shared between a Member and the federal government, with the Member paying two-thirds and the federal government one-third.

#### House of Commons in Canada

3.3 In Canada, Members are entitled to medical benefits, which are also available to civil servants. In particular, they are entitled to participate in the Public Service Health Care Plan, which provides Members, their spouses and dependants with coverage for costs they have incurred for eligible services and products. Following the same arrangement for civil servants, the funding of the Plan is 75% from the House and 25% from Members. Members are also entitled to participate in the Public Service Dental Care Plan. The cost of the Plan for Members is fully paid by the House.

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Research and Library Services Division  
25 May 2006  
Tel: 2869 9621

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**A summary of retirement benefits applicable to senior officers  
appointed to the Civil Service on or after 1 June 2000**

<b>Types of Civil Service appointment</b>	<b>Retirement benefits</b>
<p>A. Contract staff with the provision of gratuity* at a rate not higher than 15% of the total basic salary</p>	<ul style="list-style-type: none"> <li>• The Government will arrange to make contribution for the officer to a registered mandatory provident fund scheme (MPF Scheme) in accordance with the provisions of the Mandatory Provident Fund Scheme Ordinance (Cap.485) (MPFSO).</li> <li>• The Government will, for each contribution period               <ul style="list-style-type: none"> <li>(i) make the employer's mandatory contribution as determined in accordance with the MPFSO to the trustee of the MPF scheme (i.e. 5% of the employee's relevant income, subject to a maximum level of relevant income of \$20,000 per month); and</li> <li>(ii) deduct from the officer's relevant income the employee's mandatory contribution as determined in accordance with the MPFSO (i.e. 5% of the employee's relevant income, subject to minimum and maximum levels of relevant income of \$5,000 and \$20,000 per month respectively).</li> </ul> </li> <li>• The accrued benefits derived from the Scheme will be fully and immediately vested with the officer concerned in accordance with the MPFSO (e.g. reaching age 65; death; total incapacity; permanent departure from Hong Kong; early retirement between age 60 and 64 (permanent cessation of employment))</li> </ul>
<p>B. Permanent staff (Under the new entry system which took effect on 1.6.2000, new appointees would be first appointed as contract staff for three years before being considered for progression to permanent terms)</p>	<ul style="list-style-type: none"> <li>• The officer is eligible for retirement benefits under the Civil Service Provident Fund (CSPF) Scheme which is operated in the form of a provident fund scheme governed by the MPFSO. The effective date on which an officer becomes eligible for joining the CSPF Scheme is the date when the officer is appointed on permanent terms under the new civil service entry system.</li> <li>• Both the Government (as an employer) and the officer (as an employee) are required to make mandatory contributions in accordance with the provisions of the MPFSO, as specified in Section A above.</li> <li>• On top of the mandatory contribution, the Government will make voluntary contributions, which is operated in accordance with the following principles -               <ul style="list-style-type: none"> <li>(i) the normal retirement age should be 60 for all civilian staff;</li> <li>(ii) the Government's contributions, including mandatory and voluntary contributions, will follow a progressive contribution rates schedule starting from 5% and increasing up to 25% of an officer's basic salary, depending on the officer's years of continuous service since his first appointment on civil service terms; and</li> <li>(iii) the Government's voluntary contribution (GVC) will be fully vested in an officer on completion of at least ten continuous years of service since first appointment on civil service terms, or on reaching the normal retirement age, whichever is the earlier, with no vesting in the interim. GVC will also be fully vested in an officer on death or retirement on permanent incapacity.</li> <li>(iv) An officer may, at his discretion, make voluntary contribution to the CSPF Scheme, which will be fully and immediately vested with the officer concerned, subject to the provision of the Master Trust Deed of the Master Trust Scheme joined by the officer.</li> </ul> </li> </ul>

\* The gratuity payable for the agreement will be the sum which, when added to the Government's contribution to a MPF Scheme, equal to the rate as specified in the appointment letter.

Extract from Official Record of Proceedings (Translated Version) for Legislative Council meeting held on 12 January 2006

**MR LAU WONG-FAT** (in Cantonese): *President, Chief Executive, despite the fact that there is no employment relationship between the Government and District Council members, may I ask the Chief Executive, will the Government, in a bid to attract and retain talents to participate in assembly work and to serve the community, consider putting in place a sound and feasible retirement protection scheme for people participating in different levels of government and political affairs, such as end-of-service gratuity or provident fund and so on, with a view to deterring members from ending up in dire straits in their old age?* (Laughter)

**CHIEF EXECUTIVE** (in Cantonese): I know Mr LAU Wong-fat is referring to the "Uncle Piu"<sup>1</sup> incident. I also feel sorry for him. However, taking part in government and political affairs is full of risks (*laughter*), which is something I cannot agree with more. Yet, we must tackle this issue step by step. As far as the Legislative Council is concerned, I know that in recent years, Members in this Council have time and again raised this issue. We will certainly put this into our consideration and consult the opinion of the commission on the remuneration of Members of the Legislative Council. I take an open attitude towards this issue. We fully understand that, in the past, people participated in government and political affairs in a part-time capacity, but now we can see from Members' workload and dedication that they have assumed a different attitude towards this job. With regard to this incident, I will take into account the actual situation of Members and adopt more positive and proactive measures. Mr LAU, perhaps we could start with the Legislative Council and consider this issue step by step.

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<sup>1</sup> "Uncle Piu" is the nickname of Mr LAM Chak-piu, a member of the Urban Council from 1983 to 1991.