

# Remuneration package for Politically Appointed Officials serving in sixth-term HKSAR Government

The Chief Executive in Council accepted on May 3 the recommendations of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region (the Independent Commission) regarding the remuneration package for Politically Appointed Officials (PAOs) serving in the sixth-term Hong Kong Special Administrative Region Government (HKSARG).

## Cash remuneration for PAOs

"Under the annual adjustment mechanism approved by the Finance Committee (FC) of the Legislative Council in 2017, with effect from July 1, 2018, the cash remuneration of PAOs has been adjusted on an annual basis in accordance with the change in the average annual Consumer Price Index (C) (CPI(C)). There have since been two adjustments to the PAOs' cash remuneration, one each in 2018 and 2019," a Government spokesman said.

The Independent Commission notes that the Chief Executive (CE) decided not to make an upward adjustment to the salary for PAOs in 2020 and 2021 notwithstanding the positive change in CPI(C) as part of the concerted efforts to tide over the challenging times of the COVID-19 epidemic with the community. The current cash remuneration for PAOs has thus been frozen at the July 2019 level till June 30, 2022.

"We note the Independent Commission considers that the pay freeze for serving PAOs is a decision made by the fifth-term Government under the prevailing social, economic and political environment. It is voluntary in nature and should only be applicable to PAOs serving in the fifth-term Government."

Taking all factors into consideration, the Independent Commission recommends that the cash remuneration for PAOs should be adjusted in accordance with the change in average annual CPI(C) since July 1, 2019, following the mechanism as agreed. This only serves to restore the original levels of the cash remuneration package as approved by the FC in 2017 and should not be construed as a pay rise.

Differential in remuneration among Secretaries of Departments (SoDs), Directors of Bureau (DoBs) and Deputy Directors of Bureau (DDoBs)

On the basis that there is no substantial change in the roles and responsibilities of SoDs, DoBs and DDoBs, the Independent Commission recommends to maintain the current 3.5 per cent pay differential for

different layers of SoDs and with DoBs, and the cash remuneration for DDoBs continues to be set at 65 per cent, 70 per cent or 75 per cent of that for a DoB for the sixth-term HKSARG.

#### Cash Remuneration for Political Assistants (PAs)

The Independent Commission recommends that the cash remuneration for each PA engaged by a SoD or DoB should continue to be capped at 35 per cent of that for a DoB. The SoD or the DoB may continue to decide on the exact level that his or her PA should be paid within the 35 per cent ceiling based on the functional requirement of the job, and to redeploy any unspent savings to engage other support in order to achieve the objectives of the respective department or bureau in the most cost effective manner.

#### Other remuneration components

The spokesman said, "The Independent Commission notes that currently, subject to a maximum accumulation limit of 22 working days, any accumulated leave will be forfeited upon the PAOs leaving office. This is different from the arrangements for employees in statutory bodies, as well as civil servants on new agreement terms.

"The Independent Commission recognises that having regard to the roles and responsibilities of PAOs, it is difficult for PAOs to take leave during their term of office due to work requirements and it is impracticable for PAOs to take all their accumulated leave in one block as in the case of retiring civil servants before their term of appointment ends. The Independent Commission considers that, within the parameters of the stipulated annual leave entitlement of 22 working days, there should be a suitable degree of flexibility to allow PAOs to carry forward part of their untaken annual leave to the following year, and that part of their untaken leave can be encashed upon leaving office."

The Government accepts the recommendation of the Independent Commission that, with effect from the sixth-term HKSARG, the maximum accumulation limit of annual leave for PAOs be increased from 22 to 33 working days, and the encashment of untaken annual leave be capped at half of the annual leave entitlement (i.e. 11 working days) upon the PAOs' resignation, termination of contract or at the end of term of the contract.

The other components of PAOs' remuneration should remain unchanged at this stage.

The recommendations of the Independent Commission will be passed to the Office of the Chief Executive-elect for consideration. The Government also aims to brief the LegCo Panel on Constitutional Affairs at its meeting.

The Independent Commission is chaired by Mr Carlson Tong, with Mr Kevin Lam, Ms Winnie Tam, Mr Philip Tsai, Professor Alexander Wai and Ms Winnie Wong as other members. One of its duties is to provide advice to the Chief Executive on the remuneration package for PAOs. The Independent Commission

has completed the review.

A copy of the Independent Commission's report is in the Annex for reference.