

**A Report on the Work
of the
Advisory Committee on
Post-retirement Employment**

May 1992

INTRODUCTLON

The Advisory Committee was appointed by the Governor to give advice on civil service post-retirement employment policy and consider applications from directorate officers. The purpose of this report is to inform the Governor of the work of this Advisory Committee since its establishment in October 1987. It also outlines the principles and criteria adopted by the Committee in vetting applications and the trend of employment opportunities available to civil servants in the private sector after their retirement.

COMPOSITION OF THE ADVISORY COMMITTEE

2. The present composition of the Advisory Committee is -

Chairman : Sir Roger Lobo, CBE, LL.D, JP

Members : Dr Victor Fung, OBE

The Hon Mr Justice Wong

The Hon E B Wiggham, CBE, JP

Secretary for the Civil Service

/3. The Committee

3. The Committee is serviced by the Development Division of the Civil Service Branch. The Deputy Secretary for the Civil Service (1), who also attends all meetings, advises the Committee on appointment and retirement policies, whilst the Chief Executive Officer (Pensions) serves as Secretary.

PRINCIPLES AND CRITERIA

4. Under the pensions legislation, retired officers are required to seek prior permission from the Governor to enter employment or business in Hong Kong within two years (or any longer period as specified by the Governor) of their retirement. The period is five years for officers at Secretary level or above.

5. Directorate officers who have been involved in policy formulation whilst in service would be exposed to public criticism if their post-retirement employment was perceived to give rise to any conflict of interest. In order to protect the image and interests of the Hong Kong Government, a set of rules and principles has been used to ensure that there are no improprieties in the employment of such officers.

/6. The Advisory

6. The Advisory Committee takes into account the applicant's previous involvement in policy formulation in considering whether such an involvement would benefit the prospective employer in an improper manner or enable the applicant to gain an unfair advantage over his competitors. Views are sought from the respective policy Secretaries for each application on the question of conflict of interest.

7. Consideration is also given to whether the proposed employment will result in the officer having an undesirable public profile. Conditions, such as a period of sanitisation or sanctions against dealings with specific companies, may be imposed to minimise problems. These principles apply to both retired officers and those on pre-retirement or end-of-agreement leave. A Guideline has been set that retired senior civil servants should not undertake more than six post-retirement appointments at any one time.

8. The public perception of the appropriateness of the applicant's taking up the employment in question is also an important consideration. Up to 31.3.1992 three applications were rejected because they did not meet the principles and guidelines set by the Committee.

/CASES PROCESSED

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9. From October 1987 to March 1992, a total of 119 applications from 75 retired directorate officers were referred to the Advisory Committee for consideration. 3 were rejected, 31 approved with the imposition of sanitisation periods between 1 and 6 months, and the others approved without conditions.

10. Amongst these 75 applicants, 10 were former Secretaries or above. They mainly joined financial and trading enterprises. Most of the appointments are non-executive in nature and in some cases applications are for more than one appointment.

11. Over half of the applicants are professionals with a medical, legal, accounting or engineering background and most of them enter private practice after retirement. The next largest group comprises former Administrative Officers who were generally offered positions in major finance and trading companies soon after their retirement. A breakdown of the background of the 75 applicants and the nature of the business in which they are engaged is given at Annexes A and B.

/POST-RETIREMENT

POST-RETIREMENT EMPLOYMENT FOR NON-DIRECTORATE OFFICERS

12. Applications for post-retirement employment from non-directorate officers are handled by their respective Heads of department or Heads of grade. They are dealt with having regard to the same principles and criteria as those applicable to directorate officers. Blanket approval is given for all staff remunerated on the Model Scale 1 Pay Scale to take up outside appointments after retirement.

13. A statistical analysis of the applications approved from 1.4.1991 to 31.12.1991 and particulars of the ----- applicants is given at Annex C. A total of 228 applications from 210 non-directorate officers were recorded. Of the 210 successful applicants, the majority were in the age range of 55-59 (49%), and were in receipt of a salary of between Master Pay Scale points 14-33 at the time of retirement (62.8%).

14. It is interesting to note that 36.7% of these applicants were former disciplined staff, and despite their age, over 46.8% of them are employed as security guards or in other security related jobs. The next largest group is made up of retired officers in the works, education and clerical grades. Some of these have started their own business; others have continued to perform similar types of work to that which they performed in the civil service.

/THE WAY AHEAD

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15. With the current labour shortage in Hong Kong, retired civil servants who are still in their 50s or early 60s, with long years of experience and a good understanding of the public needs, have become an important additional source of supply in the labour market. Their continued employment whether in the public or private sector is of considerable value to the community and should therefore be encouraged.

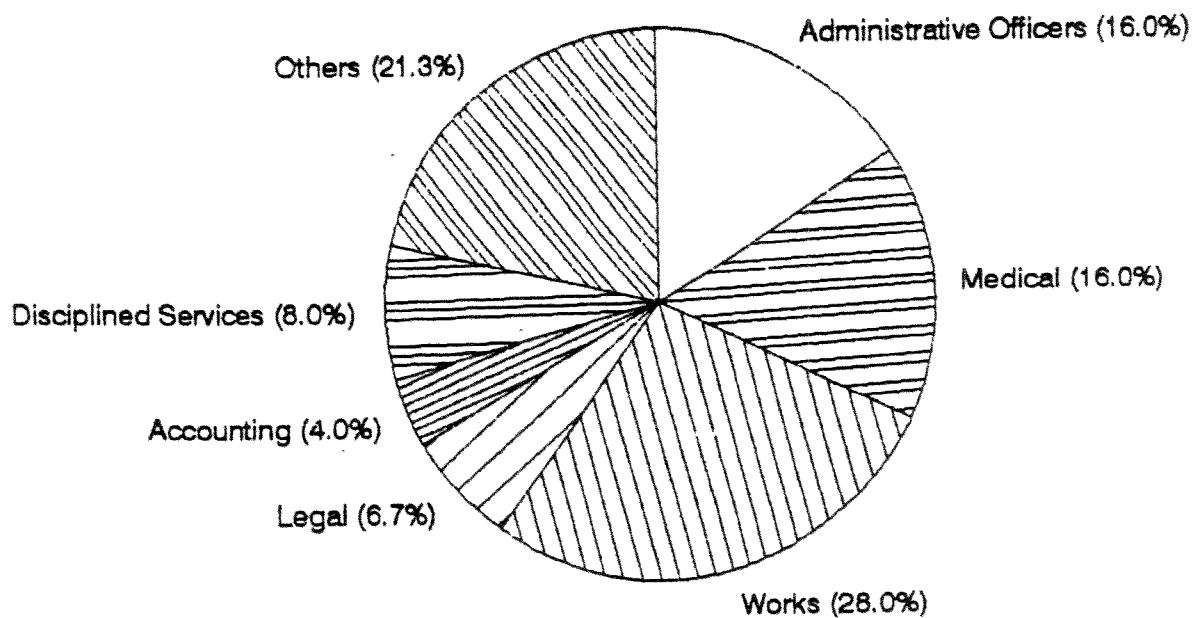
16. Whilst the Advisory Committee fully supports post-retirement employment which will be beneficial to Hong Kong at large, it nevertheless takes care to see that in terms of that employment no unfair advantage is gained as a result of officers' former links with the Government, in terms of the information available to them or the relationship they have with their former colleagues.

17. The Advisory Committee will continue to consider applications for post-retirement employment in accordance with its Terms of Reference and make recommendations to the Governor as appropriate.

Post-retirement Employment for Directorate Officers

Breakdown by professions (as at 31.3.1992)

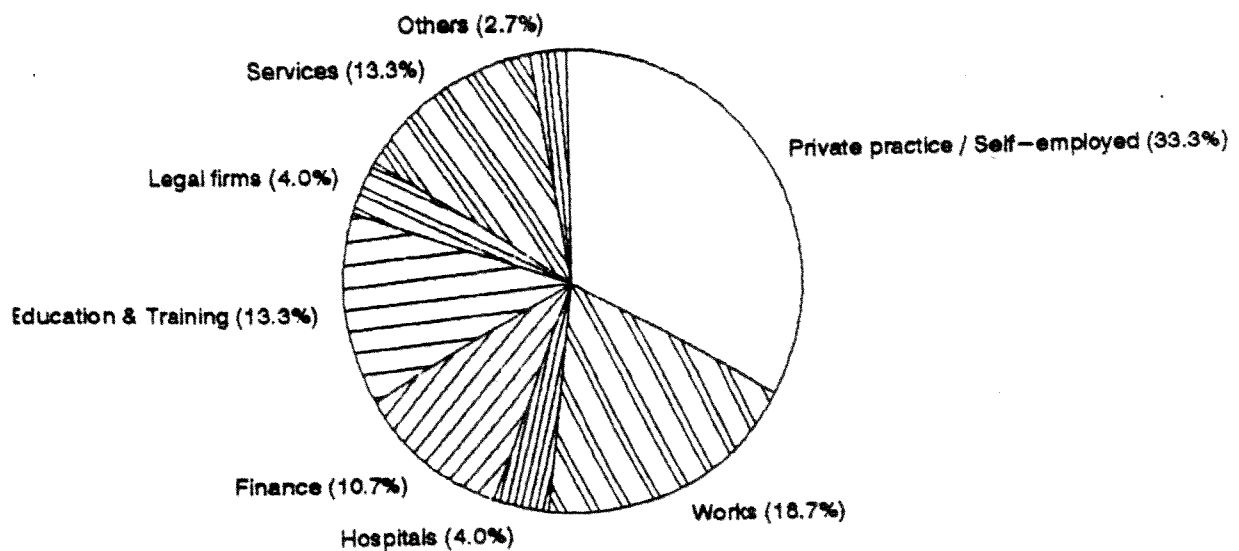
	Number of Officers	Percentage
A. Administrative Officers	12	16.0
B. Medical	12	16.0
C. Works	21	28.0
D. Legal	5	6.7
E. Accounting	3	4.0
F. Disciplined Services	6	8.0
G. Others	16	21.3
	<hr/> 75	<hr/> 100.0



Post-retirement Employment for Directorate Officers

Breakdown in the nature of business engaged after retirement (as at 31.3.1992)

	Number of Officers	Percentage
A. Private practice / Self-employed	25	33.3
B. Works	14	18.7
C. Hospitals	3	4.0
D. Finance	8	10.7
E. Education & Training	10	13.3
F. Legal firms	3	4.0
G. Services	10	13.3
H. Others	2	2.7
	<hr/> 75	<hr/> 100.0



Applications for Post-retirement Employment for retired non-directorate officers for the period (1.4.91 – 31.12.91)

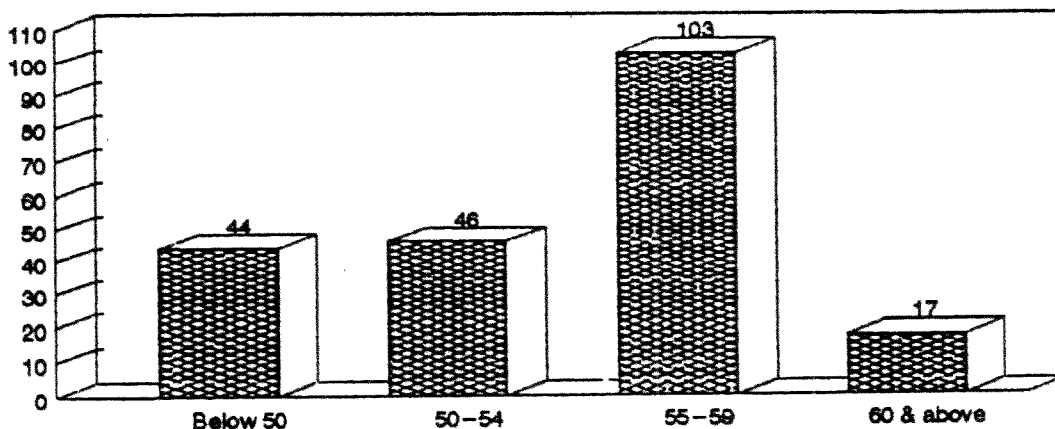
Number of applications : 228

Number of successful applications : 228

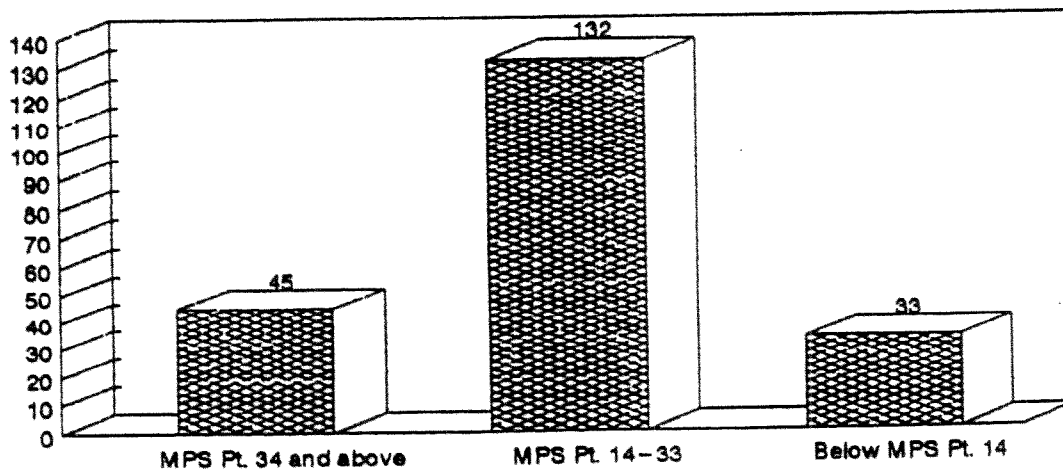
Particulars of successful applicants

Total number : 210

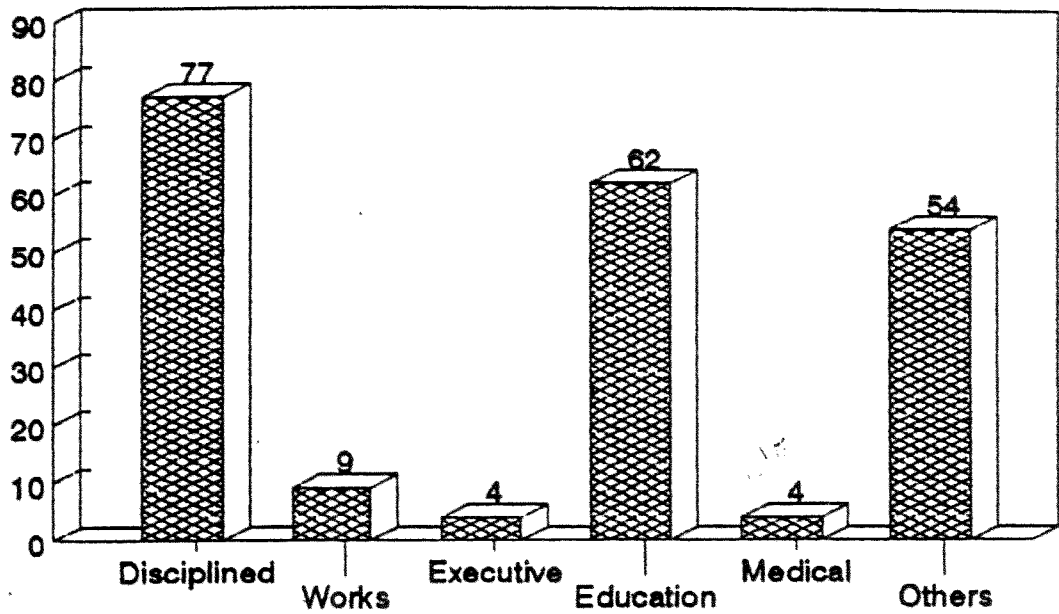
(a) Age Group



(b) Salary received at the time of retirement



(c) Type of work previously engaged in
the Civil Service



(d) Nature of jobs taken up
after retirement

