

Head 120 — PENSIONS

Controlling officer: the Director of Accounting Services will account for expenditure under this Head.

Estimate 2012–13..... **\$23,093.3m**

Controlling Officer’s Report

Programmes

Programme (1) Public and Judicial Service Pension Benefits

This programme contributes to Policy Area 26: Central Management of the Civil Service (Secretary for the Civil Service).

Programme (2) War Memorial Pensions/Volunteer Pensions

This programme contributes to Policy Area 14: Social Welfare (Secretary for Labour and Welfare).

Detail

Programme (1): Public and Judicial Service Pension Benefits

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	17,997.5	19,741.9	20,026.9 (+1.4%)	23,064.3 (+15.2%)
				(or +16.8% on 2011–12 Original)

2 Expenditure on, and the number of recipients of, each of the major pension schemes are shown in Figures A and B respectively.

Figure A

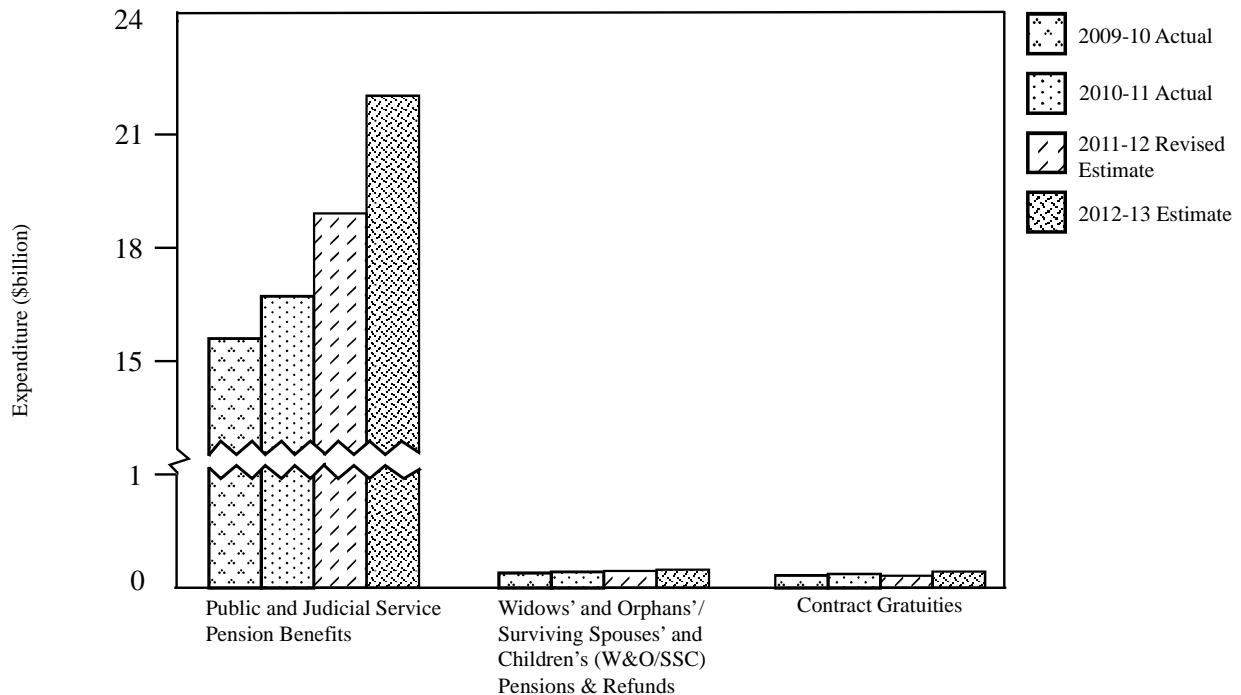
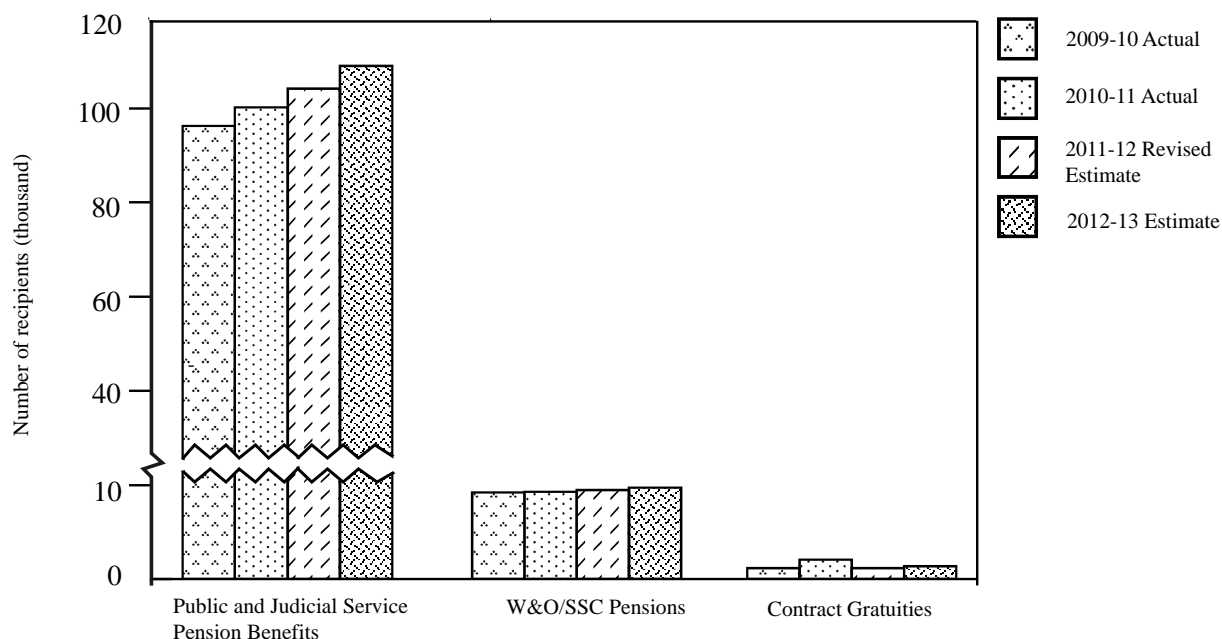


Figure B



Aim

3 The aim is to make provision for the payment of public and judicial service pension benefits.

Brief Description

4 Under this programme, funds are provided to meet payment of public and judicial service pension benefits, contract gratuities, widows' and orphans' pensions, surviving spouses' and children's pensions, employees' compensation and other miscellaneous pensions, allowances and grants.

5 The key performance measures in respect of public and judicial service pension benefits are:

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
no. of public and judicial service pensioners	99 457	103 374	108 200
no. of officers retiring	4 443	4 926	5 660
no. of agreement officers completing contract.....	2 903	1 636	1 560
no. of recipients of widows' and orphans'/surviving spouses' and children's pensions	8 563	8 762	9 250

Programme (2): War Memorial Pensions/Volunteer Pensions

	2010-11 (Actual)	2011-12 (Original)	2011-12 (Revised)	2012-13 (Estimate)
Financial provision (\$m)	29.4	30.5	29.0 (-4.9%)	29.0 (-)

(or -4.9% on 2011-12 Original)

6 Expenditure on, and the number of recipients of, war memorial pensions/volunteer pensions are shown in Figures C and D respectively.

Figure C

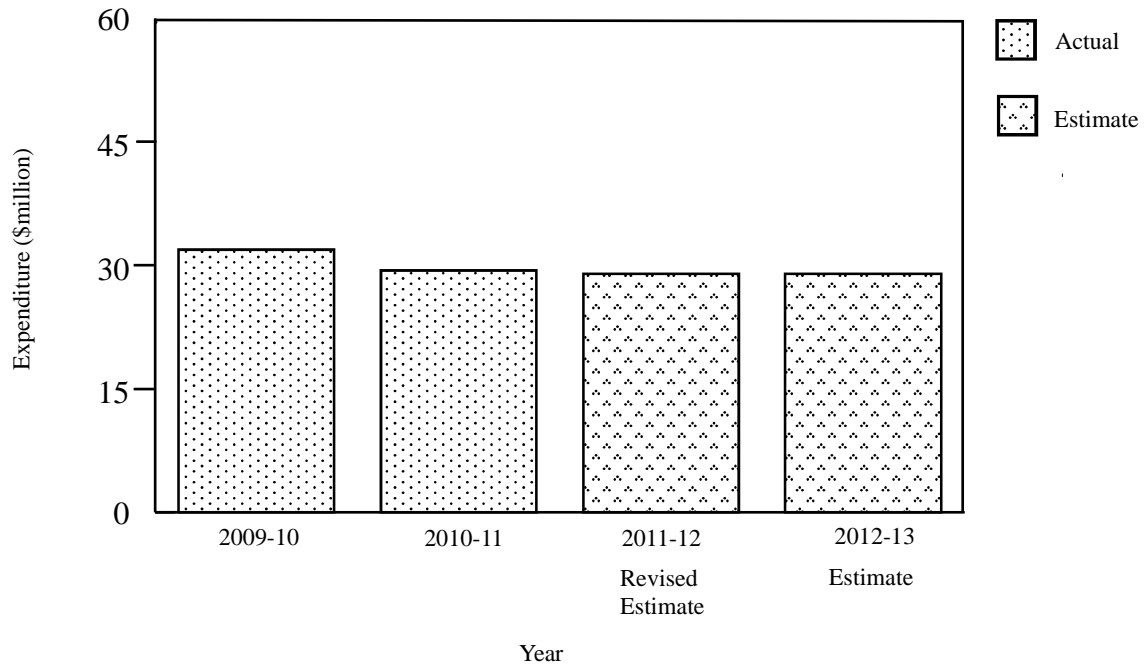
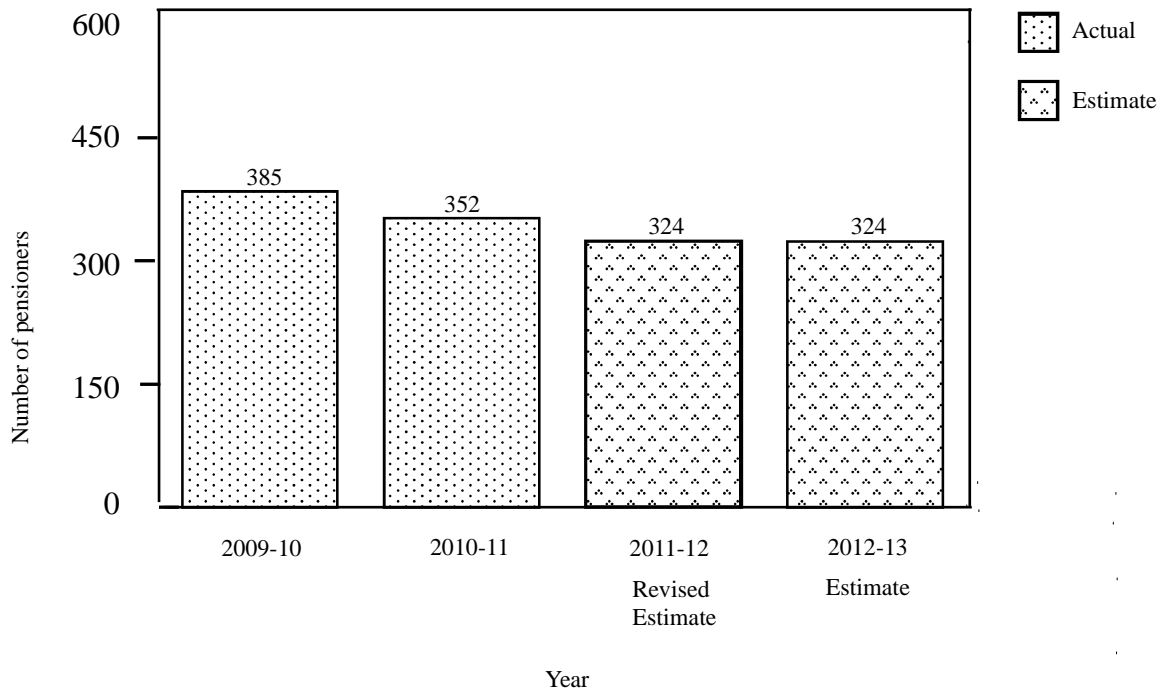


Figure D



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Aim

7 The aim is to make provision for the payment of war memorial pensions and volunteer pensions.

Brief Description

8 Under this programme, funds are provided to meet payments of war memorial pensions, volunteer and defence force pensions, allowances and grants.

9 The key performance measures in respect of war memorial and volunteer pensions are:

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
no. of war memorial pensioners.....	333	306	306
no. of new awards of war memorial pensions.....	2	2	0
no. of volunteer pensioners.....	24	18	18
no. of new awards of volunteer pensions.....	0	0	0

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ANALYSIS OF FINANCIAL PROVISION

Programme	2010–11 (Actual) (\$m)	2011–12 (Original) (\$m)	2011–12 (Revised) (\$m)	2012–13 (Estimate) (\$m)
(1) Public and Judicial Service Pension Benefits.....	17,997.5	19,741.9	20,026.9	23,064.3
(2) War Memorial Pensions/Volunteer Pensions	29.4	30.5	29.0	29.0
	18,026.9	19,772.4	20,055.9 (+1.4%)	23,093.3 (+15.1%)
				(or +16.8% on 2011–12 Original)

Analysis of Financial Provision

Programme (1)

Provision for 2012–13 is \$3,037.4 million (15.2%) higher than the revised estimate for 2011–12. This is mainly due to an anticipated increase in payment of pension gratuities to new retirees in 2012–13 and full-year provision for new pensions awarded in 2011–12.

Programme (2)

Provision for 2012–13 is the same as the revised estimate for 2011–12.

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Sub-head (Code)	Actual expenditure 2010–11	Approved estimate 2011–12	Revised estimate 2011–12	Estimate 2012–13	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
015	Public and judicial service pension benefits and compensation	17,212,968	18,950,000	19,246,000	22,150,400
016	Contract gratuities	352,944	320,000	310,000	406,000
017	Surviving spouses' and children's pensions and widows' and orphans' pensions	395,464	429,000	428,500	462,300
018	Volunteer and defence force pensions, allowances and grants	29,409	30,500	29,000	29,000
021	Ex-gratia pensions, awards and allowances	146	150	110	110
026	Employees' compensation, injury, incapacity and death related payments and expenses	35,922	42,784	42,300	45,500
	Total, Recurrent	<u>18,026,853</u>	<u>19,772,434</u>	<u>20,055,910</u>	<u>23,093,310</u>
	Total, Operating Account	<u>18,026,853</u>	<u>19,772,434</u>	<u>20,055,910</u>	<u>23,093,310</u>
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	Total Expenditure	<u><u>18,026,853</u></u>	<u><u>19,772,434</u></u>	<u><u>20,055,910</u></u>	<u><u>23,093,310</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2012–13 for public and judicial service pension benefits, contract gratuities, surviving spouses' and children's pensions, widows' and orphans' pensions, payments under the Employees' Compensation Ordinance (Cap. 282), payments under the Hong Kong War Memorial Pensions Ordinance (Cap. 386) and various other pensions, gratuities, allowances and grants is \$23,093,310,000. This represents an increase of \$3,037,400,000 over the revised estimate for 2011–12 and of \$5,066,457,000 over actual expenditure in 2010–11.

Operating Account

Recurrent

2 Provision of \$22,150,400,000 under *Subhead 015 Public and judicial service pension benefits and compensation* is for the payment of—

- pensions, gratuities and other allowances under the Pensions Ordinance (Cap. 89), the Pension Benefits Ordinance (Cap. 99) and the Pension Benefits (Judicial Officers) Ordinance (Cap. 401) to current pensioners and officers who will retire in 2012–13, and any increases in such pensions under the Pensions (Increase) Ordinance (Cap. 305);
- pensions under the Police Force Ordinance, 1932 (37 of 1932) and Police Officers (Special Cases) Pensions Ordinance, 1954 (21 of 1954) to police officers who retired on or before 1 January 1947, and any increases in such pensions under the Pensions (Increase) Ordinance; and
- pensions to agreement officers, or dependant pensions to dependants of deceased agreement officers, on account of injuries suffered whilst on duty, and any increases in such pensions.

The provision comprises \$12,458,264,000 for the payment of public and judicial service pensions and other allowances, \$9,692,115,000 for pension gratuities and \$21,000 for pensions to police officers who retired on or before 1 January 1947. The increase of \$2,904,400,000 (15.1%) over the revised estimate for 2011–12 is mainly due to the full-year provision for new pensions awarded in 2011–12 and an anticipated increase in payment of pension gratuities to new retirees in 2012–13.

3 Provision of \$406,000,000 under *Subhead 016 Contract gratuities* is for the payment of contract gratuities or resettlement grants to officers who are due to complete their agreements in 2012–13. The increase of \$96,000,000 (31.0%) over the revised estimate for 2011–12 is mainly due to an anticipated increase in payment of contract gratuities to officers who are due to complete their agreements in 2012–13.

4 Provision of \$462,300,000 under *Subhead 017 Surviving spouses' and children's pensions and widows' and orphans' pensions* is for—

- the payment of pensions to surviving spouses and children of deceased contributors to either the Surviving Spouses' and Children's Pensions Scheme or the Widows and Orphans Pension Scheme, and for any increases in payment for these two types of pensions under the Pensions (Increase) Ordinance and the Widows and Orphans Pension (Increase) Ordinance (Cap. 205);
- the return of contributions plus interest or addition under section 14 of the Surviving Spouses' and Children's Pensions Ordinance (Cap. 79) to contributors who, on leaving the service, are never married or are widows/widowers/divorcees or are not eligible for a public or judicial service pension; and
- the refund of contributions plus interest under section 11 of the Widows and Orphans Pension Ordinance (Cap. 94) to contributors who, on leaving the public or judicial service, remain bachelors or widowers without children who are eligible to receive these pensions.

5 Provision of \$29,000,000 under *Subhead 018 Volunteer and defence force pensions, allowances and grants* comprises—

- \$898,000 for the payment of pensions and other grants in respect of death, disablement or sickness of members of the former Hong Kong Volunteer Defence Corps, Hong Kong Naval Volunteer Force, or members of the other civil defence forces as provided for under the relevant legislation; and
- \$28,102,000 for the payment of pensions and other benefits under the Hong Kong War Memorial Pensions Ordinance which will be adjusted in accordance with any increases in civil service pensions and any increases in payment under the Emergency Relief Fund and social security schemes.

6 Provision of \$110,000 under *Subhead 021 Ex-gratia pensions, awards and allowances* is for the payment of ex-gratia awards linked with the provisions of the pension legislation for the public and judicial services and volunteers and civil defence forces, the Surviving Spouses' and Children's Pensions Ordinance, the Widows and Orphans Pension Ordinance and the Employees' Compensation Ordinance, and also for the payment of recurrent ex-gratia pensions, allowances and any increases in such pensions already in issue.

7 Provision of \$45,500,000 under *Subhead 026 Employees' compensation, injury, incapacity and death related payments and expenses* is for the payment of compensation to government employees under the Employees' Compensation Ordinance and other injury, incapacity and death related payments and expenses.