

**CIVIL SERVICE PENSION  
RESERVE FUND**

## CIVIL SERVICE PENSION RESERVE FUND

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### Memorandum Note

On 25 January 1995, the Legislative Council established the Civil Service Pension Reserve Fund by Resolution to provide a reserve to meet payment of civil service pensions in the unlikely event that the Government cannot meet its liabilities for such payment from the General Revenue Account. The Resolution provides that—

- (a) the Fund shall be administered by the Financial Secretary who may delegate his power of administration to other public officers;
  - (b) there shall be credited to the Fund—
    - (i) such moneys as may be appropriated for the purpose; and
    - (ii) all sums received by way of interest or dividend on moneys invested under paragraph (e) below;
  - (c) the Financial Secretary may expend moneys from the Fund for the purpose of meeting the liabilities for payment of pensions, gratuities or other allowances under the Pensions Ordinance (Cap. 89), the Pension Benefits Ordinance (Cap. 99) or the Pension Benefits (Judicial Officers) Ordinance (Cap. 401) if, at the end of any month in a financial year, he believes that the balance in the General Revenue Account will be in deficit at the end of that financial year, having taken into account all anticipated receipts and payments;
  - (d) the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditures from the Fund; and
  - (e) the Financial Secretary in his discretion may authorise the investment in such manner as he may determine of any moneys held in the Fund at any time.
- 2 On 17 February 1995, the Finance Committee approved an appropriation of \$7 billion for payment to the Fund.
- 3 No payments are expected to be made in 2002–03 and 2003–04.
- 4 Receipts for 2002–03 and 2003–04 are estimated at \$564,000,000 and \$1,590,000,000 respectively.

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**(Receipts)**

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Sub-head (Code)	Actual receipts 2001-02	Revised estimate 2002-03	<b>Estimate 2003-04</b>
	\$'000	\$'000	<b>\$'000</b>
<b>Investment income</b> .....	5,052	564,000	<b>590,000</b>
<b>Transfer from General Revenue</b> .....	—	—	<b>1,000,000</b>
<b>Total (Receipts)</b> .....	<u>5,052</u>	<u>564,000</u>	<u><b>1,590,000</b></u>

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### Movement of the Account

	Actual				Revised Estimate	Estimate
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m	\$m
OPENING BALANCE	9,032	10,123	11,139	11,577	11,746	<b>12,310</b>
Expenditure	—	—	—	—	—	—
Revenue	1,091	1,016	602	5	564	<b>590</b>
Surplus/(Deficit) before Transfer from GRA	1,091	1,016	602	5	564	<b>590</b>
Transfer from GRA	—	—	—	—	—	<b>1,000</b>
Surplus/(Deficit) after Transfer from GRA	1,091	1,016	602	5	564	<b>1,590</b>
Write-back of provision for loss in investments with the Exchange Fund	—	—	(164)†	164§	—	—
CLOSING BALANCE	10,123	11,139	11,577	11,746	12,310	<b>13,900</b>

*Note:* The Civil Service Pension Reserve Fund was established by the Legislative Council by Resolution on 25 January 1995.

† In 2000-01 the amount refers to provision for the diminution in the market value of investments with the Exchange Fund during the period from 1 January 2001 to 31 March 2001.

§ In 2001-02 the amount refers to the write-back of the provision in 2000-01.

### Expenditure Analysis

	Actual				Revised Estimate	Estimate
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m	\$m
Payments	—	—	—	—	—	—
<b>Total Expenditure</b>	—	—	—	—	—	—

*Note:* The Civil Service Pension Reserve Fund is to be used exclusively for paying civil service pensions in the unlikely event that the Government cannot meet its liabilities for the payment of pensions from the General Revenue Account. No payment is expected in 2003-04.

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### Revenue Analysis

	Actual				Revised Estimate	Estimate
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m	\$m
Investment income	1,091	1,016	602	5	564	<b>590</b>
<b>Total Revenue</b>	1,091	1,016	602	5	564	<b>590</b>