

**CIVIL SERVICE PENSION
RESERVE FUND**

CIVIL SERVICE PENSION RESERVE FUND

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 2019–20 and 2020–21.
- 4 Receipts for 2019–20 and 2020–21 are estimated at \$1,111,144,000 and \$1,498 million respectively.

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(Receipts)

	Actual receipts 2018-19	Revised estimate 2019-20	Estimate 2020-21
	————— \$'000	————— \$'000	————— \$'000
Investment income	1,656,054	1,111,144	1,498,000
Transfer from General Revenue	1,530,000	—	1,840,000
Total (Receipts).....	3,186,054	1,111,144	3,338,000

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Movement of the Account

	Actual				Revised Estimate	Estimate
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	27,029	27,129	31,899	35,129	38,315	39,426
Revenue	—*	970	930	1,656	1,111	1,498
Expenditure	—	—	—	—	—	—
Surplus before Transfer from GRA	—	970	930	1,656	1,111	1,498
Transfer from GRA	100	3,800	2,300	1,530	—	1,840
Surplus after Transfer from GRA	100	4,770	3,230	3,186	1,111	3,338
Closing Balance	27,129	31,899	35,129	38,315	39,426	42,764

Revenue Analysis

	Actual				Revised Estimate	Estimate
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	\$m	\$m	\$m	\$m	\$m	\$m
Investment Income	—*	970	930	1,656	1,111	1,498
Total Revenue	—	970	930	1,656	1,111	1,498

* The investment income for 2015-16 on the balance of the Civil Service Pension Reserve Fund placed with the Exchange Fund is \$1,487,958,000. This, along with the investment income on other parts of the fiscal reserves, has been set aside and retained within the Exchange Fund for the Housing Reserve.