

**The Ninth Report on the Work**

**of the**

**Advisory Committee on**

**Post-retirement Employment**

**(1 January 1997 -**

**31 December 1997)**

## **INTRODUCTION**

The Advisory Committee on Post-retirement Employment (Advisory Committee) was established in October 1987 to advise the Administration on civil service post-retirement employment policy and consider applications from directorate officers for post-retirement employment. In January 1997, the ambit of the Committee was extended to advise on applications for post-contract employment from agreement officers ranked at D3 and above. The terms of reference of the Advisory Committee are at Annex A. The purpose of this report is to inform the Chief Executive of the work of the Advisory Committee in 1997. It also outlines the principles and criteria adopted by the Advisory Committee in vetting applications and the trends in employment opportunities available to civil servants in the private sector after their retirement.

## **COMPOSITION OF THE ADVISORY COMMITTEE**

2. The Chairman and Members of the Advisory Committee are appointed by the Chief Executive. The present composition is -

Chairman : Sir Roger Lobo, LL.D, JP  
Members : The Hon Mr Justice Arthur Leong  
Mr Philip K H Wong, LL.D, JP  
Mr Peter Thompson, LL.D, JP  
Mr W K Lam, JP, Secretary for the Civil Service

3. Chief Executive Officer (Pensions) of the Civil Service Bureau serves as Secretary.

## **PRINCIPLES AND CRITERIA**

4. Under the pensions legislation, retired officers are required to seek prior permission from the Chief Executive before they enter into business or take up employment in Hong Kong within a specified period after retirement if the principal part of their business or employment is carried out

in Hong Kong. At present, retired officers at Director of Bureau rank or above have to seek permission within three years after retirement. Other retirees are required to seek approval within a two-year period. Blanket approval is given for all staff remunerated on the Model Scale I Pay Scale.

5. The main objective of the policy is to ensure that former civil servants do not enter into any business or outside employment which may constitute a conflict of interest with their previous employment in the Civil Service or embarrass the Government. The policy constitutes to public confidence in the integrity of the Civil Service.

6. With the advice of the Advisory Committee, a set of guidelines is used to ensure that there is no impropriety in the post-retirement employment.

#### **Guidelines as applied to both directorate and non-directorate officers**

7. The applicant's previous involvement in policy formulation or decision and previous knowledge and experience will be taken into account to assess whether such involvement or information would benefit the prospective employer in an improper manner or enable the prospective employer to gain an unfair advantage over his competitors. Views are sought from the respective bureau secretary or head of department for each application on the question of potential conflict of interest.

8. The public perception of the appropriateness of the applicant's taking up the proposed business or employment and the question of whether the proposed employment will result in the officer having an undesirable public profile are also important considerations. Conditions, such as a period of sanitisation during which the applicant would be barred from taking up the employment or restrictions on the scope of activities to be undertaken, may be imposed to minimise potential risk.

## **APPLICATIONS FROM DIRECTORATE OFFICERS CONSIDERED BY THE COMMITTEE**

9. Applications for post-retirement outside employment from directorate officers are processed centrally by the Civil Service Bureau. The Advisory Committee notes that directorate officers who have been involved in policy formulation or have access to sensitive information whilst in service taking up post-retirement outside employment that gives rise to potential conflict of interest will draw public criticisms. It therefore gives advice to the Administration on each and every case of application to ensure that the strictest standards of the above guidelines are applied. In addition, a guideline that retired senior civil servants should not undertake more than six post-retirement appointments at any one time has also been set.

10. To ensure that possible conflicts of interest arising from a post-retirement employment overseas will not be overlooked, an additional guideline requiring all retired directorate officers to notify the approving authority of any paid employment undertaken anywhere during the specified period has been set.

11. From October 1987 to December 1997, a total of 374 applications from 240 retired directorate officers were referred to the Advisory Committee for consideration. Out of the 374 cases processed, 4 were rejected, 66 approved with the imposition of sanitisation periods of between 1 and 18 months and 15 were approved with restrictions set on the scope of activities to be undertaken by the retired officer. The others were approved without conditions.

12. For the period from 1 January 1997 to 31 December 1997, a total of 71 applications from 56 retired directorate officers were referred to the Advisory Committee for consideration. Out of the 71 cases processed, 8 were approved with the imposition of sanitisation periods of between 1 and 12 months and 5 were approved with restrictions set on the scope of activities to be undertaken by the retired officer. The others were approved without conditions.

13. Amongst the 56 applicants, 3 were former Secretaries (equivalent to Director of Bureau rank) or above. About one-third of the applicants were professionals in the medical, works, legal or accounting fields and most of them continued contributing in their professional field after retirement. A breakdown of the background of the applicants and the nature of the business or employment which they were engaged in is at Annexes B and C.

### **POST-RETIREMENT EMPLOYMENT FOR NON-DIRECTORATE OFFICERS**

14. Applications for post-retirement employment from non-directorate officers are handled by their respective head of department or head of grade. Their applications are dealt with in accordance with the same principles and criteria as set out in paragraphs 7-8 above.

15. From 1 January 1997 to 31 December 1997, a total of 503 applications from 468 non-directorate officers were approved. Out of the 503 applications processed, one was rejected and 4 were approved with conditions. The others were approved without conditions. The majority of the applicants were in the age range of 55-59 (40%), and were in receipt of a salary at Master Pay Scale points 14-33 at the time of retirement (52%).

16. The largest group of the applicants were former disciplined staff (30%), and over 38% of them were employed as security guards or in other security related jobs. The next largest group was made up of retired officers in the administrative / executive (17%) and education (17%) grades. Some of them started their own business; others continued to perform similar types of work to those which they performed in the Civil Service. A breakdown of the background of the applicants and the nature of the business or employment which they are engaged in are at Annexes D and E respectively.

## **POST-CONTRACT EMPLOYMENT**

17. Starting from 6 January 1997, agreement officers on Directorate Payscale D3 or above who entered into new contracts or renew their contracts with the Government with effect from that date are required to seek Government's agreement before taking up employment or appointment, or engaging in any business, trade or profession, the principal part of which is carried on in Hong Kong within one year immediately following the expiry of their terminal leave. These officers need to apply for prior approval where the post-contract employment is in the same field as his civil service employment and where there is a possible conflict of interest.

18. In determining whether approval should be given, account will be taken of any direct relationship between the officer's areas of duty as a civil servant and the duties he proposes to undertake in his subsequent outside employment, with particular regard to possible conflicts of interest.

19. Up to 31 December 1997, no application for post-contract employment was received because the new requirement was written into new agreements offered since January 1997 and such contracts have yet to expire.

## **THE WAY AHEAD**

20. Retired civil servants who are in their 50s or early 60s, with long years of experience and a good understanding of the public needs, have been a useful source of supply in the labour market. Their continued employment whether in the public or private sector is of considerable value to the community.

21. 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 such employment, no unfair advantage is gained as a result of the applicants' former links with the Government, in terms of the information available to them or the relationship they have with their former colleagues.

22. The Advisory Committee will continue to advise the Administration on the policy on post-retirement employment and consider applications for post-retirement employment and post-contract employment in accordance with its terms of reference and make recommendations to the Chief Executive as appropriate.

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## **Advisory Committee on Post-retirement Employment**

### **Terms of Reference**

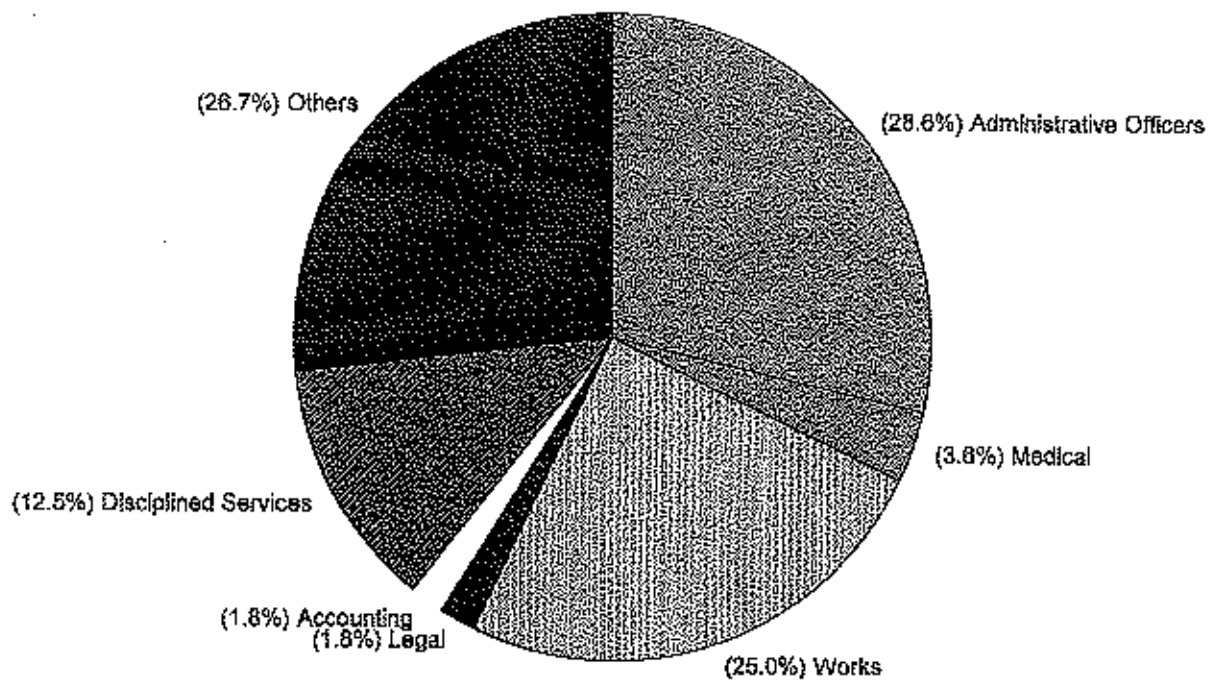
- (a) To advise the Chief Executive on the principles and the criteria to be adopted to deal with applications for post-retirement and post-agreement employment;
- (b) To consider and advise on all applications for post-retirement employment from directorate officers;
- (c) To consider and advise on all applications for post-contract employment from agreement officers on Directorate Payscale Point 3 or above; and
- (d) To consider and advise on other applications which may be referred by the Secretary for the Civil Service.

*(reports)*



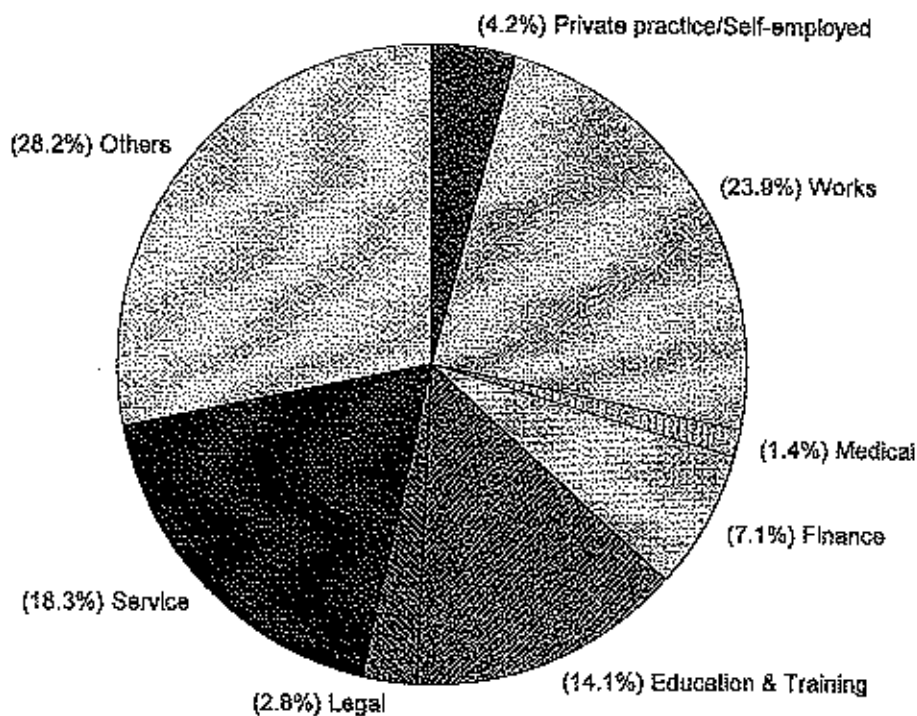
**Post-Retirement Employment for Directorate Officers**  
**Breakdown by Applicants' Professions**  
**(1.1.97 - 31.12.97)**

	Number of Officers	Percentage
A. Administrative Officers	16	28.6
B. Medical	2	3.6
C. Works	14	25.0
D. Legal	1	1.8
E. Accounting	1	1.8
F. Disciplined Services	7	12.5
G. Others	15	26.7
	56	100.0



**Post-Retirement Employment for Directorate Officers**  
**Breakdown by the Nature of Business/Employment**  
**Engaged after Retirement (1.1.97 - 31.12.97)**

	Number of Jobs	Percentage
A. Private practice/Self-employed	3	4.2
B. Works	17	23.9
C. Medical	1	1.4
D. Finance	5	7.1
E. Education & Training	10	14.1
F. Legal	2	2.8
G. Service	13	18.3
H. Others	20	28.2
	<hr/> 71	<hr/> 100.0

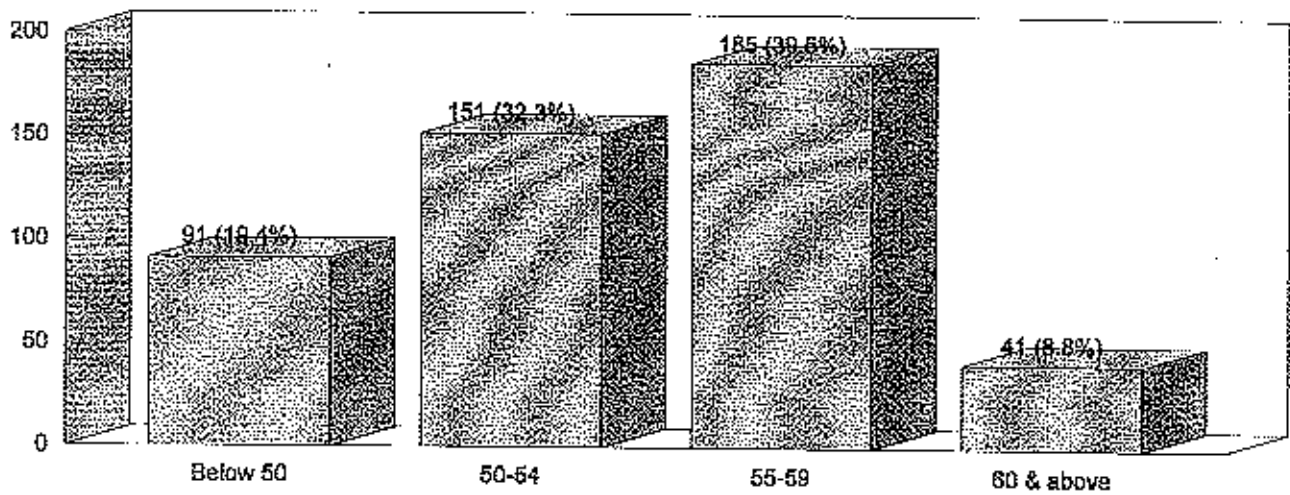


## Post-Retirement Employment For Retired Non-directorate Officers (1.1.97 - 31.12.97)

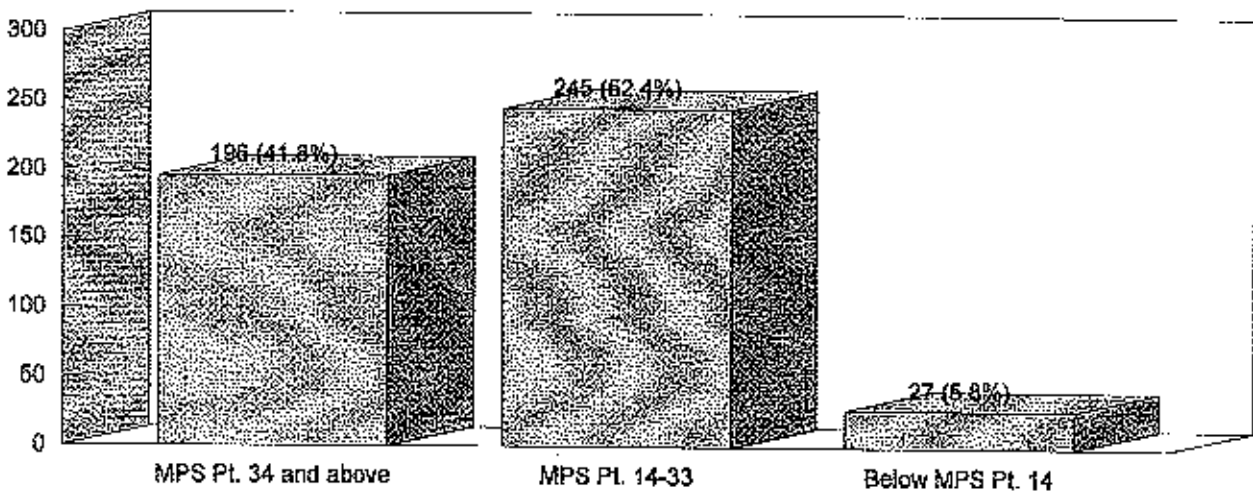
### Breakdown by Applicants' Background

Number of applicants: 468  
 Number of applications approved: 502

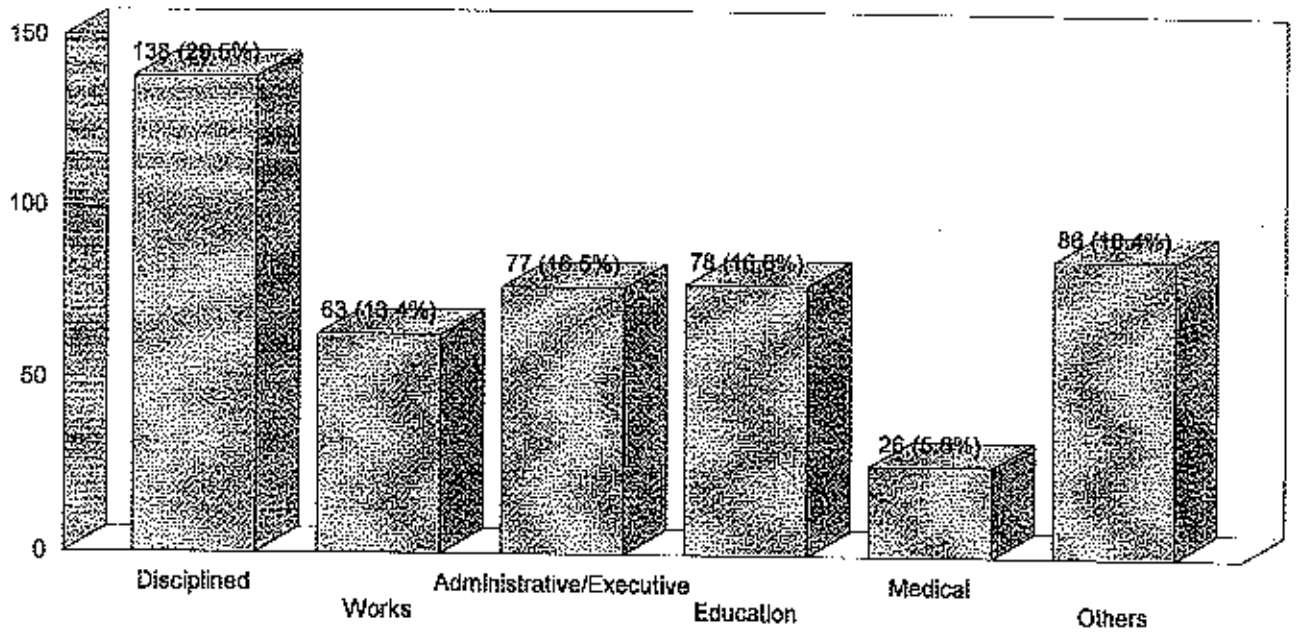
(a) Age Group



(b) Salary received at the time of retirement



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



## Post-Retirement Employment For Retired Non-directorate Officers (1.1.97 - 31.12.97)

### Breakdown by the Nature of Business/Employment Engaged after Retirement

Number of applications approved:

502

