

APPENDIX III

CONSULTATIVE DOCUMENT -
PAYMENT FOR OVERTIME AND RELATED ISSUES

I. INTRODUCTION

The Standing Commission has recently been asked by the Administration at the request of the Finance Committee of the Legislative Council to advise on the criteria which should govern the payment of overtime and a number of related allowances. As part of the Commission's study of these matters, staff and management are invited to forward to the Commission their views on the current arrangements and to suggest what changes, if any, might be made.

II. BASIC PRINCIPLES GOVERNING OVERTIME WORK

Present Policy

2. The current policy on overtime is generally based on principles expounded by the 1971 Salaries Commission. These were :

- (a) Overtime worked should be compensated by time off in lieu, unless this is impracticable.
- (b) There is some salary point above which there is a fundamental incongruity with the receipt of cash allowances for overtime. Eligibility for cash allowances for overtime should be fixed by level of salary but the precise level should be adapted to suit the circumstances of each group of grades.
- (c) Regular overtime must be strictly limited, controlled, authorised in advance, and compensated by an approved consolidated allowance at a rate less than that for occasional overtime; occasional overtime must also be strictly controlled, including advance authorisation, and should attract the standard rate of overtime allowance; and control of overtime should include discouragement of small periods of overtime and their accumulation.

Views Sought

3. It has been suggested that these principles are still basically valid and should continue to express the philosophy underlying the payment of cash compensation for overtime work. The Commission would welcome views on whether these principles should be retained or any suggestions for their modification.

III. PAYMENTS FOR OVERTIME

Overtime Allowance

Present Arrangements

4. At present, overtime allowance may be paid to most officers on or below the salary level of Point 23 of the Master Pay Scale (MPS) (\$5,630 a month) who work for longer than their conditioned hours. However, staff of the disciplined services, Estate Caretakers and Watchmen accommodated at their place of work, nurses, teachers and staff under training are not eligible. The standard rate of allowance is 1/140 of the officer's monthly salary per hour, roughly equivalent to time-and-a-half; and an allowance at a lower rate is payable for regular overtime, as well as for the first four hours of overtime worked in any week by an officer whose conditioned hours are 44 hours gross per week.

Problems

5. It has been suggested that the current arrangements are unsatisfactory for a number of reasons.

6. First, the cut-off point of MPS 23 cuts across the pay scales of a large number of ranks and this often results in staff receiving overtime allowance in their first few years in a rank but not after they go beyond MPS 23, even though they are still required to work overtime.

7. Secondly, it has been argued that it is unfair that some categories of staff should be excluded from being eligible for overtime allowance.

8. Thirdly, available information indicates that the existing arrangements are not in line with general private sector practice. A survey conducted by the Pay Investigation Unit in October 1979 of private sector practice in the payment of overtime allowances showed that in general eligibility for overtime payments in the private sector depends on the nature of the job performed by the employees concerned

rather than on a fixed salary cut-off point. In most cases, only operatives were eligible for overtime allowance. Similar findings resulted from a separate private sector survey conducted by an outside agency in September 1981.

9. Fourthly, it has been pointed out that the authority to approve overtime work for subordinate staff should not be exercised by their supervisor who is himself eligible to receive overtime payment.

10. The Commission suggested in Report No. 2 (para. 7.8) that eligibility for overtime allowance should be determined by reference to ranks rather than by a fixed salary point and it may be that this is still the most appropriate way of dealing with the problem.

11. On the other hand, it has been suggested that a fixed cut-off point should be retained but that it should be raised to a level which would cut through as few ranks as possible.

12. The present rate for the allowance appears to be in line with the norm in the private sector, which according to the surveys is about time-and-a-half.

Views Sought

13. The Commission would welcome views on the following questions :

- (a) Is the present method of determining eligibility for overtime allowance by reference to a single cut-off point a satisfactory arrangement?
- (b) If the present system is considered generally acceptable, is the present cut-off point appropriate?
- (c) If it is considered that the present system is not satisfactory, what alternative method should be introduced? Is the proposal to determine eligibility by ranks instead of by a fixed cut-off point a more acceptable alternative?
- (d) Should all or any of the existing excluded grades be eligible for overtime allowance?
- (e) Should authority to approve overtime be exercised by a senior officer who is not himself eligible for overtime payment?
- (f) Is the existing rate for the allowance appropriate?

Honoraria for Overtime

Present Arrangements

14. Although staff above the salary level of MPS 23 are not eligible for overtime allowance, there are provisions for the payment of honoraria for overtime worked by officers on MPS 24 and above for periods of prolonged overtime. The officers eligible for honoraria have been administratively defined as those above MPS 23 and up to MPS 36 (\$10,430 per month) who work overtime (less any compensatory time off) in excess of 100 hours during any continuous period of six months. Administrative and professional staff, and all other officers on MPS 37 (\$10,905 per month) and above are not eligible for honoraria. The rate for honoraria is 1/210 of the officer's monthly salary per hour, roughly equivalent to single-time.

Views Sought

15. The Commission would welcome comments on whether there is still a need to provide for the payment of honoraria for overtime worked, and on whether the present system, if retained, should be modified with regard either to eligibility criteria or to the rate of payment.

Payment for Overtime in the Disciplined Services

Present Arrangements

16. Members of the disciplined services have traditionally been ineligible for overtime allowance. They are obliged by their conditions of service to work whatever hours their duties require, although each disciplined service prescribes normal "conditioned hours" of work for its staff according to operational needs. A certain amount of what would normally be regarded as overtime is considered to be part of the exigencies of each service, and this particular feature is taken into account in setting the pay scales of the various services.

17. Nonetheless it has been accepted that in all the disciplined services, circumstances may arise from time to time which require staff to perform extra duty well beyond what might reasonably be expected to be part of their normal work, and that some form of compensation is appropriate in such situations. The following payments are now made in the various disciplined services for such extra work :

(a) Disciplined Services Extra Duty Allowance

This allowance is payable to the rank and file members of all the disciplined services for duties undertaken outside their conditioned hours and in addition to their normal responsibilities. The extra duties undertaken must, however, be unavoidable and not such as to have been already allowed for in the basic salaries of the officers concerned. In practice payment of this allowance has only been made to staff in certain special situations in the Correctional Services Department.

(b) Additional Duty Allowance for the Police Rank and File

In 1973, a new allowance known as the Additional Duty Allowance was introduced for the police rank and file to compensate them for performing regular additional duties because of a continuous manpower shortage. This is in essence a modified version of the Disciplined Services Extra Duty Allowance geared to the particular circumstances of the police rank and file.

(c) Honoraria for Inspectors and Senior Inspectors of Police

In November 1980, an honorarium was approved for Inspectors and Senior Inspectors of Police who are required to undertake additional duties resulting from operational needs and manpower shortages. This honorarium is in fact a modified version of the general honorarium which may be granted to officers normally ineligible for overtime allowance (see paragraph 14).

Problems

18. It has been suggested that the present arrangements are unsatisfactory in that payments in various forms for additional overtime are made to some of the disciplined services but not to others. It has been argued that those services which at present do not receive any payment for extra duties should for the sake of parity be given equal treatment. It has been proposed that a standard allowance payable to all the disciplined services should be introduced to replace all the existing overtime payments. Alternatively, it has been suggested that the normal civil service overtime allowance should be extended to the disciplined services.

Views Sought

19. The Commission would welcome comments on the present system of compensation for overtime in the disciplined services and suggestions as to how it could be modified.

IV. RELATED PAYMENTS

Stand-by Duty Allowance

Present Arrangements

20. Under existing rules, "stand-by" is any period during which an officer is required to be present at his place of work outside his normal hours of duty but during which he is not necessarily required to perform any work. It is distinguished from "on call" which is defined as any period during which an officer is required to be continuously available outside his normal hours of work, but not necessarily at his place of work. Whereas stand-by is treated as duty, on call is not.

21. At present, if stand-by duty is performed in excess of an officer's conditioned hours and time off is not practicable, he may in most cases be granted an allowance at the appropriate overtime rate. No allowance is paid for periods when an officer is on call.

22. It has been suggested that an officer on stand-by duty should receive a lower rate of allowance than the normal overtime rate, since he is not usually required to perform actual duty for the whole period.

Views Sought

23. The Commission would welcome views on whether the present arrangements for the payment of stand-by duty allowance are appropriate, and if not what changes would be desirable.

Shift Duty Allowance

Present Arrangements

24. In accordance with the recommendation in the Commission's Report No. 1 (para. 38), shift work should be compensated by appropriate adjustments to the pay scales of

ranks of which 75% or more of the staff are required to work shifts; officers in other ranks are eligible for a shift duty allowance if they have to perform shift duties.

25. The cut-off point for eligibility for this allowance has traditionally been linked to the normal overtime cut-off point, i.e. MPS 23. Shift duty allowance is calculated according to the number of "irregular hours" worked per calendar month. "Irregular hours" are duty hours between 8 p.m. and 6 a.m. on Mondays to Saturdays and any hours on Sundays and General Holidays. There are two rates of allowance : one at 6% of MPS 1 for irregular hours amounting to 25 but less than 50 a month and the other at 12% of MPS 1 for irregular hours of 50 or more a month.

Views Sought

26. The Commission would like to receive views on whether the present eligibility criteria and rates for shift duty allowance are appropriate, and if not, what modifications should be made.

Typhoon Allowance

Present Arrangements

27. Eligibility for typhoon allowance is at present also related to that for normal overtime allowance. Under existing rules it is granted to officers (except disciplined staff) whose salaries are on or below MPS 23 who are required to stay on duty or report for duty at times when tropical cyclone warning No. 8 or above is hoisted. Non-essential staff who are allowed to go home are not eligible for the allowance even if they are unable to leave their place of work or do not choose to do so. At present, the rate for typhoon allowance is the same as that for overtime allowance.

28. Eligible staff who are required to be on duty during a typhoon, besides receiving typhoon allowance, may also claim overtime allowance if their duty during a typhoon involves them working more than their conditioned hours.

29. Except for the major utility companies, special allowances for working during typhoons are not normally paid to staff in the private sector. The available private sector evidence indicates that in most companies that pay such an allowance only operative staff are eligible, although one major utility company pays an extra allowance to all staff on typhoon duty.

30. It has been argued that typhoon allowance should be regarded as compensation for hardship and possible danger experienced by staff who are required to work at a time when others are allowed to go home, and that there is therefore no reason why eligibility for typhoon allowance should be limited to staff below a certain salary level in the same way as overtime allowance.

Views Sought

31. The Commission would like to receive comments on eligibility for typhoon allowance and on the appropriate rate.

V. GENERAL

32. The Commission would welcome comments and suggestions from both staff and management on the issues set out in this document. All the comments and suggestions received will be carefully considered by the Commission before it formulates its advice on the eligibility criteria and rates for overtime and related allowances.

33. Written representations should be sent to the Secretary-General of the Standing Commission on Civil Service Salaries and Conditions of Service before the end of July 1982 at the following address :

Room 1801,
Admiralty Centre, Tower 1,
18 Harcourt Road,
Hong Kong.

Commission Secretariat
21 June 1982