

CHAPTER 18

LEAVE

18.1 INTRODUCTION

Proposal in Report No. 7

18.1.1 In Report No. 7, we recommended that sick and maternity leave should be excluded from total packages. We proposed that the value of other leave benefits should be calculated on the assumption that each additional day's leave was equivalent to half a day's pay. No specific reference was made to differences in hours of work for each working day or overtime rates.

18.2 WORKING GROUP'S VIEW

18.2.1 The Working Group recommended that total packages should take into account hours of work (including regular overtime) and leave (excluding sick and maternity leave), as follows :

$$\begin{array}{l} \text{Private} \\ \text{company's} \\ \text{total} \\ \text{package} \end{array} \quad \times \quad \begin{array}{l} \text{Civil service notional hours of work} \\ + \text{Civil service regular overtime hours (if any)} \\ \hline \text{Private company's notional hours of work} \\ + \text{Private company's regular overtime hours} \\ \text{(if any)} \end{array} \\ \\ = \text{Adjusted private company's total package}$$

18.3 PAY RESEARCH ADVISORY COMMITTEE'S PRELIMINARY VIEW

Hours of Work

18.3.1 In the civil service, conditioned hours, i.e. the hours of work covered by basic salary, varied according to salary groups, as follows :

- (a) most staff on the Master Pay Scale worked 44 hours gross a week (including a one hour lunch break daily), which was equivalent to 39 hours net (excluding the lunch breaks).

- (b) staff on the Model Scale 1 worked 48 hours net.
- (c) staff on the Disciplined Services Pay Scales worked varying conditioned hours, which ranged from 44 hours gross for the Immigration Department to 60 hours gross for the Fire Services Department.

18.3.2 In the private sector, conditioned hours varied with the different types of jobs in different sectors, depending mainly on operational requirements. For example, although white collar workers generally had shorter conditioned hours than blue collar workers, clerks in factories worked longer hours than clerks in banks. As far as hours of work were concerned, private sector employees could be broadly divided into two main groups : office staff and operational staff. Office staff were comparable to the large majority of civil servants on the Master Pay Scale, whilst operational staff were comparable to Model Scale 1 ranks and some ranks on the Master Pay Scale at the operational level.

Vacation/Annual Leave

18.3.3 For local civil servants, (except those on Model Scale 1 with less than 10 years of service, who were not entitled to vacation leave), the vacation leave entitlement varied between 9 days and 27 days per annum, depending on the officers' salaries and length of service. In the private sector, the comparable leave entitlement might vary according to the rank or the years of experience of the employees, or both, although, in some companies, the leave rates might be equal for all employees.

Casual Leave

18.3.4 The majority of civil servants, other than daily rated and teaching staff, earned casual leave at the rate of one day per month of resident service, i.e. 12 days per year. The private sector made no distinction between casual and vacation leave and did not normally provide additional leave entitlements which could be regarded as the equivalent of casual leave in the civil service.

18.3.5 In the civil service, female staff who had completed 40 weeks of service and who had less than three surviving children might be granted maternity leave on full pay, up to a maximum of 10 weeks on each occasion. Similarly, female staff employed in the private sector generally enjoyed 10 weeks of maternity leave and, in

general, this provision covered up to two children. For female manual workers or female workers earning less than \$8,500 a month, there were legal provisions covering the minimum maternity leave which employers must provide. For a standard family with two children, the current provision of maternity leave in both the civil service and the private sector was generally in line with the legal requirement.

Sick Leave

18.3.6 Civil servants with more than four years' service might be granted 182 days of sick leave on full pay and 182 days on half pay. For those with less than four years of service, the sick leave entitlement was reduced to 91 days on full pay and 91 days on half pay. In the private sector, the maximum period of sick leave granted might be determined by years of service, or by type of staff, or both. Sick leave might be granted at a flat rate to all employees, or on a case-by-case basis and, furthermore, sick leave might be granted on a full-pay or two-thirds-of-pay basis, at the company's discretion. As in the case of maternity leave, there were legal provisions governing the sick leave entitlements for manual workers or workers earning less than \$8,500 a month.

Inclusion of Hours of Work and Leave in Total Packages

18.3.7 As, in general, total packages for comparable jobs in the private sector might be based on different conditioned hours, it was necessary to take conditioned hours into account for pay level surveys in order to compare such jobs on a consistent basis. Similarly, in view of the substantial provision for leave, particularly in the case of vacation and casual leave in the civil service, total packages should also take leave benefits into account.

18.3.8 On the basis of the general principle that the conditions of service of male staff should be taken into account where the terms offered to male and female staff differed, the Pay Research Advisory Committee considered that maternity leave should be excluded from consideration in the valuation of total packages.

18.3.9 The Pay Research Advisory Committee considered it more appropriate and practical to exclude sick leave from consideration in pay level surveys, because :

- (a) sick leave, unlike other types of leave, was only granted in circumstances outside an officer's control; and

- (b) it would be difficult to assess the value of sick leave, bearing in mind the problems involved in making assumptions on factors, such as the incidence of sickness amongst employees in different age groups, etc.

18.3.10 The Pay Research Advisory Committee therefore proposed that the assessment of total packages for the private sector relative to the public sector in pay level surveys should follow the recommendation of the Working Group, in paragraph 18.2.1. However, the Pay Research Advisory Committee came to the conclusion that overtime should be included in the formula only if it was compulsory, thereby effectively extending the notional hours of work. It therefore proposed that the following revised formula should be adopted :

$$\begin{array}{rcl} & \text{Civil service notional hours of work} & \\ \text{Private} & + \text{Civil service compulsory overtime hours} & \\ \text{company} & \text{(if any)} & \\ \text{total} & \hline & \text{Private company's notional hours of work} & \\ \text{packages} & + \text{Private company's compulsory overtime hours} & \\ & \text{(if any)} & \\ & = \text{Adjusted private company total packages} & \end{array}$$

18.3.11 The Pay Research Advisory Committee also proposed that maternity leave and sick leave should be excluded from total packages for pay level surveys.

18.4 CONSULTANTS' ADVICE

18.4.1 This particular question was not referred to TPF & C. Nevertheless, they also shared the Pay Research Advisory Committee's view that when considering total packages in the public and private sectors, differences in hours of work and leave should be taken into account.

18.5 PAY RESEARCH ADVISORY COMMITTEE'S RECOMMENDATION

18.5.1 The Pay Research Advisory Committee accordingly recommended that hours of work and leave, with the exceptions of sick leave and maternity leave, in the civil service and the private sector should be taken into account for the purpose of pay level comparisons and that total packages in the private sector should be adjusted to take into account differences in hours of work and leave entitlements in the two sectors, in accordance with the formula in paragraph 18.3.10.

18.6 VIEWS EXPRESSED AT PAY LEVEL SURVEY
ADVISORY COMMITTEE MEETINGS

18.6.1 The Hong Kong Industrial Relations Association suggested that compulsory overtime hours should not be included in the calculation of total packages since most compulsory overtime work in the private sector was not compensated. The Model Scale 1 Staff Consultative Council disagreed with the Hong Kong Industrial Relations Association and held the view that employees in the private sector received substantial rewards by doing overtime work and many employees had to work overtime in order to obtain extra payments. (Paragraph 4.8 of the PLSAC's Report Part II at Appendix X refers).

18.7 STANDING COMMISSION'S RECOMMENDATION

18.7.1 We recommend that hours of work and leave, with the exception of sick leave and maternity leave, in the civil service and the private sector should be taken into account in total packages. We also recommend that adjustment should be made to take account of differences in hours of work and leave entitlements in the two sectors in accordance with the formula proposed by the Pay Research Advisory Committee in paragraph 18.3.10.