

# 2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

## Survey Report

HayGroup



December 2015

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# Survey Report:

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## Executive Summary

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1. In August 2015, the Hay Group Limited (“Hay Group”) was commissioned by the Standing Committee on Judicial Salaries and Conditions of Service (“Judicial Committee”) to conduct the 2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong (“2015 Benchmark Study”).
2. The objective of this 2015 Benchmark Study is to collect information/data on legal sector earnings for analyses and comparison with judicial remuneration in Hong Kong, with a view to checking whether judicial pay is kept broadly in line with the movements of legal sector earnings over time. As the last benchmark study was conducted in 2010, five years since the Pilot Study on Earnings of Private Sector Legal Practitioners in Hong Kong in 2005 (“2005 Pilot Study”), comparison is made, where relevant, with the findings in the 2005 and 2010 studies.
3. The target respondents were legal practitioners who were eligible for appointment as Judges and Judicial Officers (“JJOs”), i.e. with at least five years of practice as a barrister or a solicitor for Magistrate and Judge of the District Court (“District Judge”); and ten years of practice for Judge of the Court of First Instance of the High Court (“CFI Judge”). The survey field covers the barristers and solicitors in private practice as well as in-house legal practitioners in public bodies and major corporations.
4. The study consisted of (i) a questionnaire survey on earnings of barristers and solicitors; and (ii) interviews with randomly selected barristers and solicitors on their perceptions on judicial service and remuneration.
5. For the questionnaire survey, data collection packages were distributed by mail or email. The purpose was to collect information on professional background (such as professional status and years of practice), earnings as a legal practitioner of the respondents and respondents’ interest in joining the Bench.
6. For the interviews, telephone interviews with 18 barristers and 17 solicitors (including in-house legal practitioners) were conducted. The purpose was to collect information on the interviewees’ perception on judicial service and remuneration as well as their interest in joining the Bench.
7. A summary of the key findings of the 2015 Benchmark Study is set out in the table below –

*Summary of Key Findings of the 2015 Benchmark Study*

<p><b>Responses</b></p>	<p>The number of target responses from barristers and solicitors were 212 and 519 respectively.</p>
<p><b>Questionnaire Survey – Differentials between judicial pay and legal sector pay</b></p>	<p>Differential analysis between the average annual total cost of judicial pay at the three judicial entry levels, i.e. Magistrate, District Judge and CFI Judge, and the upper quartile (P75) of legal sector earnings was worked out based on the professional status and the years of practice that the JJOs at the entry levels possessed prior to their appointment to such levels.</p> <p>Differential between judicial pay and legal sector earnings was presented as a percentage: judicial pay less legal sector earnings divided by legal sector earnings, expressed as a percentage. Differentials between judicial pay and legal sector earnings in the 2005, 2010 and 2015 studies are as follows –</p> <p><b>Magistrate:</b></p> <ul style="list-style-type: none"> <li>• <u>For Junior Counsel (5-14 years)</u> – Judicial pay was above legal sector earnings in 2005 and 2010 but below legal sector earnings in 2015. The differential slightly narrowed from 12% in 2005 to 7% in 2010 but reversed to -16% in 2015.</li> <li>• <u>For solicitors (5-14 years)</u> – Judicial pay was above legal sector earnings in 2005, 2010 and 2015. The differential narrowed from 46% in 2005 to 13% in 2010 but widened to 20% in 2015.</li> </ul> <p><b>District Judge:</b></p> <ul style="list-style-type: none"> <li>• <u>For Junior Counsel and solicitors (15-24 years)</u> – Judicial pay was above legal sector earnings in 2005 and 2010 but below legal sector earnings in 2015. The differential slightly widened from 8% in 2005 to 10% in 2010 but reversed to -4% in 2015.</li> </ul> <p><b>CFI Judge:</b></p> <ul style="list-style-type: none"> <li>• <u>For Senior Counsel (15-24 years)</u> – Judicial pay was below legal sector earnings in 2005, 2010 and 2015. The differential slightly narrowed from -47% in 2005 to -42% in 2010 but widened to -60% in 2015.</li> </ul> <p>The inherent differences between the judicial service and private sector and their uniqueness render direct comparison between judicial pay and legal sector earnings inappropriate. The study only captures market information at a particular point in time. Amid the dynamic situation in the private sector and economic environment, the sustainability of the factors driving the higher earnings in 2015 could not be ascertained in the long run. In addition, similar to any other surveys, there are inherent discrepancies in statistical surveys and elements of chance. In view of the above, a broader view should be adopted taking into account all relevant considerations in determining whether, and if so, how judicial pay should be adjusted.</p>
<p><b>Interview</b></p>	<p>Perception and attitude of barrister and solicitor interviewees towards the judicial service and remuneration remained broadly the same as in previous studies.</p>

	<p>A majority of barrister interviewees expressed interest in joining the Bench in the later part of their career when financial security had been attained, while solicitor interviewees tended to be less interested.</p> <p>Most of the solicitor interviewees expressed that they were not aware of the openings in the Judiciary as well as the recruitment process and would welcome if the Judiciary could provide more information on this aspect.</p> <p>Some interviewees also expressed interest in taking up short-term judicial appointments as Recorders or Deputies to have an opportunity to learn more about the Judiciary to facilitate them in exploring joining the Bench.</p>
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# 1. Introduction and Background of the Benchmark Study

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## 1.1 Introduction

- 1.1.1 In August 2015, the Hay Group was commissioned by the Judicial Committee to conduct the 2015 Benchmark Study to collect information/data on legal sector earnings for analyses and comparison with judicial remuneration in Hong Kong, with a view to checking whether judicial pay is kept broadly in line with the movements of legal sector earnings over time.
- 1.1.2 We wish to express our sincere gratitude to all parties who have contributed to the conduct of the study, particularly the Judicial Committee for its advice on the survey methodology; the Chairman of the Judicial Committee for his appeals to the two professional bodies, i.e. the Hong Kong Bar Association (“Bar Association”) and the Law Society of Hong Kong (“Law Society”), as well as law firms for their logistical support for the study.
- 1.1.3 Our thanks also go to individual barristers and solicitors who participated in the questionnaire survey and/or interviews, as well as participating public bodies and major corporations for providing a corporate response for their in-house legal practitioners.
- 1.1.4 Last but not least, we would like to record our appreciation to the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service for their advice and assistance in liaising with the secretariats of the two professional bodies and other relevant stakeholders, including the Judiciary which provided information on the profiles of Judges and Judicial Officers (“JJOs”) in an anonymous format and shared its useful views on the study. These have greatly facilitated the conduct of the study.

## 1.2 Background

- 1.2.1 The mechanism for judicial remuneration review (“JRR”), as approved by the Chief Executive-in-Council in May 2008, comprises two components: a regular benchmark study and an annual salary review.
- 1.2.2 The Judicial Committee took the view that a benchmark study on the levels of earnings of legal practitioners should be conducted on a regular basis, in order to ascertain their earnings levels, monitor such trends and review judicial salaries where appropriate. The Judicial Committee also recommended that the information or data collected in the benchmark study should be analysed and compared with judicial remuneration in Hong Kong, with a view to checking whether judicial pay was kept broadly in line with the movements of legal sector earnings over time. The data collected should not be translated into precise figures for determining the levels of judicial salaries. Rather, the pay relativities between selected judicial positions and the corresponding legal sector positions should be systematically recorded to show whether the pay relativities were widening or narrowing over time. The data would facilitate the Judicial Committee in monitoring the private sector pay trends and considering whether and how adjustments to judicial pay should be made. The Judicial Committee decided in 2009 that a benchmark study should in principle be conducted every five years, with its frequency subject to periodic review.

- 1.2.3 The last benchmark study was conducted in 2010, five years since the pilot study completed in 2005<sup>NOTE</sup>. The 2010 Benchmark Study was the first one conducted after implementation of the existing mechanism for the determination of judicial remuneration and consisted of (i) a questionnaire survey on earnings of barristers and solicitors; and (ii) interviews with randomly selected barristers and solicitors on their perceptions on judicial service and remuneration.
- 1.2.4 After the completion of the 2010 Benchmark Study, the Judicial Committee reaffirmed its view that a benchmark study should in principle be conducted every five years, with its frequency subject to periodic review, to monitor the changes in the pay differentials between the levels of judicial pay and those of legal practitioners. The Judicial Committee maintained the view that the findings of a benchmark study should not be translated into precise figures for determining the levels of judicial salaries due to the uniqueness of judicial work, rendering any direct comparison between the pay levels of JJOs and legal practitioners inappropriate.
- 1.2.5 As the last benchmark study was conducted in 2010, the Judicial Committee decided that a benchmark study should be conducted in 2015.

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<sup>NOTE</sup> The Judicial Committee engaged a consultant to conduct the Pilot Study on Earnings of Private Sector Legal Practitioners in Hong Kong in 2005. Through the pilot study, the Judicial Committee has confirmed the feasibility of such benchmark study and noted the then relativities between judicial salaries and earnings of private legal practitioners, which formed the basis for future benchmark studies in which data would be collected to show whether pay relativities are widening or narrowing over time.



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## 2. Overview of the Survey Methodology

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### 2.1 Guiding Principles

- 2.1.1 Hay Group has premised the detailed survey methodology on a number of basic principles as set out in the Judicial Committee's previous deliberations, including –
- (a) Judicial independence is the foundation of the legal system in Hong Kong and enables the court to adjudicate cases in a fair and impartial manner. It is important to ensure that judicial remuneration is sufficient to attract and retain talent in the Judiciary in order to maintain an independent and effective judicial system;
  - (b) The nature of judicial work is unique. The responsibility and working conditions of JJOs are different from those of legal practitioners in the private and public sectors, rendering any direct comparison inappropriate;
  - (c) As part of the mechanism for determining judicial pay, a regular benchmark study is to be conducted every five years. Judicial pay adjustments should have regard to a basket of factors, including any recruitment and retention problems of the Judiciary; and
  - (d) The findings of the benchmark study should not be translated into precise figures for determining judicial pay. The data will facilitate the Judicial Committee to monitor the private sector pay and consider whether and how adjustments to judicial pay should be made.

### 2.2 General Approach

- 2.2.1 As set out in paragraph 1.2.4, a benchmark study should in principle be conducted every five years to monitor the changes in the pay differentials between the levels of judicial pay and those of legal practitioners. For a study which aims to monitor changes over time, comparability of survey findings with previous study is important. Hence, the key aspects of the survey methodology adopted in the 2010 Benchmark Study continued to be adopted for the 2015 Benchmark Study for consistency.
- 2.2.2 As in previous studies, the 2015 Benchmark Study consisted of –
- (a) a questionnaire survey on the earnings of barristers and solicitors in Hong Kong; and
  - (b) interviews with randomly selected barristers and solicitors on their perceptions on judicial service and remuneration.

### 2.3 Survey Field and Sample Sizes

- 2.3.1 The target respondents of the 2015 Benchmark Study were legal practitioners who were eligible for appointment as JJOs, i.e. –
- (a) at least 5 years of practice as a barrister or solicitor for Magistrate (Magistrates Ordinance, Cap. 227);
  - (b) at least 5 years of practice as a barrister or solicitor for Judge of the District Court ("District Judge") (District Court Ordinance, Cap. 336); and

- (c) at least 10 years of practice as a barrister or solicitor for Judge of the Court of First Instance (CFI Judge) (High Court Ordinance, Cap. 4).
- 2.3.2 As in the 2010 Benchmark Study, the survey field covered barristers and solicitors in private practice as well as in-house legal practitioners in public bodies and major corporations.
- 2.3.3 **Barristers in private practice:** All 1 326 barristers (including both Senior Counsel and Junior Counsel) with practising certificates when fieldwork commenced in November 2015 were covered.
- 2.3.4 **Solicitors in private practice:** As of 31 December 2014, there were 8 279 solicitors with practising certificates according to the Law Society. Noting that some of these solicitors were in fact not currently practicing in Hong Kong and that data relating to the legal practitioners with practice of law outside Hong Kong were excluded in previous studies, we only sent out questionnaires to 6 357 solicitors with practice of law in Hong Kong when fieldwork commenced in November 2015.
- 2.3.5 **In-house legal practitioners in public bodies and major corporations:** There are legal practitioners working in large public bodies and major corporations in Hong Kong, providing legal advice for these organizations. Typical legal practitioners are head of a compliance/litigation unit and legal advisor. They may be barristers not holding practising certificate or solicitors with/without a practising certificate. They may have the requisite experience of private practice before turning in-house and are eligible for appointment as JJOs. In-house legal practitioners were included in the survey field for maintaining consistency in the survey and enhancing comprehensiveness of market coverage.
- 2.3.6 With reference to the list of public bodies and major corporations invited in the 2010 Benchmark Study and with endorsement of the Judicial Committee, we invited 29 public bodies and major corporations to provide a corporate response for their in-house legal practitioners and verified their compliance with the following selection criteria –
- (a) The public body/major corporation had an in-house legal unit staffed with at least five legal practitioners; or
- (b) The public body/major corporation performed dedicated statutory regulatory and enforcement functions.
- 2.3.7 The participating public bodies and major corporations were requested to provide a corporate response for their in-house legal practitioners with not less than 5 years of private practice (i.e. legal practitioners eligible for appointment as JJOs) before in-house practice.

## 2.4 Data/Information Collected

### *Definition of earnings*

- 2.4.1 For barristers and solicitors in private practice who are either sole proprietors or partners of firms, earnings are derived from the profit of operating the proprietorship or partnership, and are defined as: “the total amounts received from the practice of law less any expenses incurred operating the law practice, before taxes”. Earnings include drawings from the firm, as well as any housing or other cash allowances the firm pays to the proprietor or partners, contribution made on behalf of the partner or proprietor to a retirement scheme and any amounts attributable to the proprietor or partners that are retained in the firm.

2.4.2 For legal practitioners who are employees in law firms, public bodies and major corporations, earnings include base salary, hourly or per diem fees, allowances, guaranteed bonuses, variable bonuses or commissions, and employers' contributions to retirement schemes. Information on long-term incentives (LTIs) is also collected.

### *Survey reference date*

2.4.3 The survey reference date was set as 31 March 2015, covering earnings in the tax year of 2014/15 (i.e. from 1 April 2014 to 31 March 2015). The survey reference date was five years from that of the 2010 Benchmark Study (i.e. 31 March 2010). Adopting 31 March as the survey reference date also provided a consistent and comparable indication of trends and movements.

### *Other information*

2.4.4 Besides the earnings information described above, other information collected included professional status, years of practice and age for verifying and validating the findings and for future reference.

## **2.5 The Questionnaires**

2.5.1 To ensure consistency and comparability, the format of the questionnaire for individual respondents (i.e. barristers and solicitors in private practice) in the 2015 Benchmark Study was similar to that of the 2010 Benchmark Study. It consisted of two parts, the first part identifying professional status and personal details of the respondent, and the second part asking for the earnings of the respondent. To facilitate timely completion and submission, each questionnaire was kept as simple as possible in a single page, with earnings reported in ranges.

2.5.2 Apart from using the same set of questions of the 2010 Benchmark Study, new questions were added. A question on the respondents' willingness to join the Bench and the reason thereof was added to the questionnaires for both barristers and solicitors. This question also provided insight on legal practitioners' willingness to join the Bench at the CFI level (which is facing some recruitment difficulties).

2.5.3 A question on the number of employees of the legal firm to which the individual solicitor attached was also added to the questionnaire for solicitors to provide reference on the degree of consistency of the survey fields for future benchmark studies. For barristers, they work independently and are not employees of a firm. Hence, no similar question was added to the questionnaire for barristers.

2.5.4 The questionnaires for barristers and solicitors are at **Annex 1(i)** and **Annex 1(ii)** respectively.

2.5.5 The questionnaire for corporate response by public bodies and major corporations is at **Annex 1(iii)**. The same set of questions of the 2010 Benchmark Study was used. It was divided into two parts. The first part was to identify details of the organization and the total number of legal practitioners under its employment, and the second part asking for individual details of each legal practitioner it employed. The questionnaire remained simple and easy to complete, with earnings reported in ranges. No question on the respondents' willingness to join the Bench was added because the questionnaires were submitted through the human resources departments

of the public bodies/major corporations. Individuals were unlikely to pass such sensitive information to the human resources departments.

## **2.6 The Interviews**

- 2.6.1 Apart from the questionnaire survey, telephone interviews with 18 barristers and 17 solicitors (including those working in-house) were conducted. Compared with the 2010 Benchmark Study in which ten interviews for barristers and solicitors respectively were conducted, the increased number of interviews enhanced representativeness of the views. Efforts were made to achieve a balanced profile of the interviewees in terms of their professional status and years of practice.
- 2.6.2 The interview guide (at **Annex 2**) was largely the same as that for the 2010 Benchmark Study with some refinements. The focus of the interviews was to understand the perceptions of respondents on the remuneration of legal practitioners and judges and how these perceptions affected their consideration of joining the Bench. We also collected views on changes in earnings as compared to five years ago and reasons for such changes. Such qualitative opinions obtained from interviews are useful in both interpreting and analysing the collected data from questionnaires, as well as providing more insight on the market trends and movement. Specific questions on the respondents' willingness to join the Judiciary at the CFI level as well as their views on remuneration for CFI Judges were added.
- 2.6.3 The scheme of granting higher rights of audience to solicitors was in place in 2013. New questions were added to the interviews with solicitors to gauge their views on such rights for future reference.

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## 3. Conducting the Study

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### 3.1 Data Collection

- 3.1.1 Data collection commenced on 2 November 2015 and completed on 27 November 2015.
- 3.1.2 We sought assistance from the Bar Association, the Law Society and law firms in distributing questionnaires to individual barristers and solicitors.
- 3.1.3 The Chairman of the Bar Association kindly appealed for their members' support to the study through their circular on 5 November 2015. The Bar Association also assisted in disseminating the data collection packages (each consisted of an appeal letter from the Chairman of the Judicial Committee, our invitation letter (at **Annex 3(i)**) and a printed copy of the questionnaire for barristers and a stamped returning envelope) to their members directly. A reminder was sent out in the week of 16 November 2015 through their circular to further appeal to their members for participation.
- 3.1.4 The Law Society assisted in distributing the questionnaire electronically. On 2 November 2015, the Law Society kindly informed their members of the study through their circular, attaching an e-copy of the appeal letter from the Chairman of the Judicial Committee, our invitation letter (at **Annex 3(ii)**) as well as the questionnaire for solicitors and providing the link of the online questionnaire in the circular. The President of the Law Society appealed for their members' support to the study through their circular on 16 November 2015. While the Law Society helped providing the online questionnaire to their members through their circulars, we understood that some members might have chosen to provide the email addresses of their law firms, instead of their personal email addresses, to the Law Society. Hence, there might be a possibility that our questionnaire was unable to reach out to individual solicitors.
- 3.1.5 To further boost the response rates, we approached all 850 law firms in Hong Kong and requested their assistance to distribute data collection packages to their solicitors. We invited the Chairman of the Judicial Committee to issue an appeal letter to law firms to solicit their support. We also sent a letter to law firms to explain the arrangement (at **Annex 3(iii)**). While some law firms helped distribute the data collection packages to their solicitors, we understood that quite a number of them invited their solicitors to obtain a data collection package for completion if they wished to. In view of the busy schedules of solicitors, we were not optimistic about the effectiveness of the latter approach.

- 3.1.6 Despite our efforts and assistance from all parties, the response rates in the first two weeks were disappointing. We, therefore, extended the deadline, initially set as 20 November 2015, by 1 week to 27 November 2015. We also sent emails to the law firms providing the link of online questionnaire with a view to further boosting the response rates.
- 3.1.7 As for in-house legal practitioners in public bodies and major corporations, we sent the data collection packages (each consisted of an appeal letter from the Chairman of the Judicial Committee, our invitation letter (at **Annex 3(iv)**) and a printed copy of the questionnaire for corporate response) to the Chief Executives and Human Resource Directors of the 29 public bodies and major corporations.
- 3.1.8 Upon receipt of their agreement to participate, we followed up with the public bodies and major corporations by phone calls and provided explanation/assistance as necessary.
- 3.1.9 Hotlines were set up for answering enquiries on the questionnaire survey.

### **3.2 Data Verification and Validation**

- 3.2.1 Questionnaires distributed were returned via various means, including post, fax and online platform.
- 3.2.2 Upon receipt, each response was checked and verified. The response was further validated with the following conditions for the core analysis –
- Professional status (i.e. Junior Counsel, Senior Counsel for barristers; partner/sole proprietor, consultant, assistant solicitor, others for solicitors) must be indicated;
  - The respondent indicated that the primary occupation was the practice of law in Hong Kong;
  - Years of practice must be indicated, and must be at least five years; and
  - Earnings must be indicated.
- 3.2.3 For corporate responses, verification and validation processes were similar to those for individual responses.
- 3.2.4 Once validity was confirmed, the response was entered into a worksheet anonymously with data entry accuracy verified by a second Hay Group Associate. Final validation was done by the Team Leader.

### **3.3 Data Consolidation and Analysis**

- 3.3.1 As in the 2010 Benchmark Study, data on earnings of barristers and solicitors collected were compiled as two separate sets of data for analysis and presented. Data collected from public bodies and major corporations on the earnings of their in-house barristers and solicitors were incorporated in the two sets of data as appropriate for analysis. Impact of inclusion of in-house legal practitioners on the findings was separately presented for reference.
- 3.3.2 Detailed analyses are set out in Sections 4 and 5.

### **3.4 Basis for Comparison**

#### ***Definition of judicial remuneration***

- 3.4.1 As in the 2010 Benchmark Study, the consolidated data on earnings of legal practitioners were compared to judicial remuneration at the three entry levels, i.e. Magistrate, District Judge and CFI Judge. “Total cash compensation” for the 12-month period preceding 31 March 2015 and earnings levels at the 75th percentile (P75) were adopted as the basis for comparison.
- 3.4.2 “Judicial pay” consisted primarily of a base salary paid over 12 months and other fringe benefits, including housing benefits, retirement benefits, medical benefits, leave passage and education allowances.
- 3.4.3 For comprehensive comparison, legal sector earnings were compared to the average annual total cost of judicial pay at the three entry levels.

#### ***Legal sector reference***

- 3.4.4 Differential analysis between judicial pay at the three judicial entry levels, i.e. Magistrate, District Judge and CFI Judge, and legal sector earnings was worked out based on the professional status and the years of practice that the JJOs at the entry levels possessed prior to their appointment to such levels. In the 2005 and 2010 studies, the following legal sector reference was adopted –
- **Magistrate:** Junior Counsel/solicitors with 5 to 14 years of practice;
  - **District Judge:** Junior Counsel/solicitors with 15 to 24 years of practice;
  - **CFI Judge:** Senior Counsel with 15 to 24 years of practice.
- 3.4.5 Having regard to the latest profile of the JJOs, the Judiciary has advised that the above legal sector reference is considered appropriate, except that for CFI Judges, the appropriate reference should be Senior Counsel with 18 to 28 years of practice.
- 3.4.6 For the 2015 Benchmark Study, to provide a consistent basis for comparison over different periods of time, differential analysis at the three entry levels was based on the same legal sector reference adopted in previous studies.
- 3.4.7 Yet, in view of the Judiciary’s views on the latest profile of JJOs, differential analysis for CFI Judges based on the legal sector reference of Senior Counsel with 18 to 28 years of practice was also presented for reference for the current study and for providing the basis for future benchmark studies if this revised legal sector reference was adopted.

### **3.5 The Interviews**

- 3.5.1 Respondents were randomly selected for interviews, but efforts were made to achieve a balanced profile of interviewees in terms of their professional status and years of practice. About 80 and 100 invitation calls were made to barristers and solicitors and eventually 18 and 17 interviews were conducted respectively. The interviews were conducted over the phone for about 20 minutes by senior officers of the Hay Group.

## 4. Survey Results

### 4.1 Responses

4.1.1 As mentioned in paragraphs 2.3.3 and 2.3.4, the survey field covers 1 326 barristers and 6 357 solicitors with practicing certificates in private practice. 29 public bodies and major corporations were also invited to provide a corporate response for their in-house legal practitioners as stated in paragraph 2.3.6. The number of responses received and the response rates in relation to the questionnaire survey in the 2015 Benchmark Study as well as the corresponding figures in the 2005 and 2010 studies are illustrated in **Table 1** below.

*Table 1: Number of Responses Received and Response Rates*

	Barristers			Solicitors		
	2005 (Pilot Study)*	2010	2015	2005 (Pilot Study)*	2010	2015
<b>1. Individual responses</b>						
(a) Questionnaires sent	713	1 140	1 326	1 650	5 242	6 357
(b) Responses received	185 (26%)	395 (35%)	307 (23%)	433 (26%)	1 297 (25%)	865 (14%)
(c) Target responses (with practice of law in Hong Kong as primary occupation and at least five years of practice)	164 (23%)	276 (24%)	212 (16%)	402 (24%)	861 (16%)	481 (8%)
(d) Non-target responses	21	119	95	31	436	384
<b>2. Corporate responses</b>	-	16	0	-	155	38
<b>Total target responses (1(c) + 2)</b>	<b>164</b>	<b>292</b>	<b>212</b>	<b>402</b>	<b>1 016</b>	<b>519</b>

\* Before the implementation of the existing mechanism for the determination of judicial remuneration, the Judicial Committee engaged a consultant to conduct the Pilot Study. Through the Pilot Study, the Judicial Committee confirmed the feasibility of a benchmark study and noted the then relativities between judicial salaries and earnings of private legal practitioners, which served as a reference point in monitoring the changes in their pay relativities over time. In the Pilot Study, questionnaires were sent to all barristers in Hong Kong and a sample of 1 650 solicitors in Hong Kong (i.e. a sampling rate of about 40%).

4.1.2 Despite our efforts and assistance from all parties in appealing to barristers and solicitors for their participation in the Benchmark Study as mentioned in Section 3.1, the responses rates of the questionnaire survey were low as compared with the 2010 Benchmark Study. The numbers of responses received from barristers and solicitors were 307 and 865 whereas the numbers of target responses (i.e. excluding non-target responses from, for example, legal practitioners with less than five years of practice) were 212 and 481 respectively. Besides, nine of the 29 invited public bodies and major corporations participated in the questionnaire survey, contributing



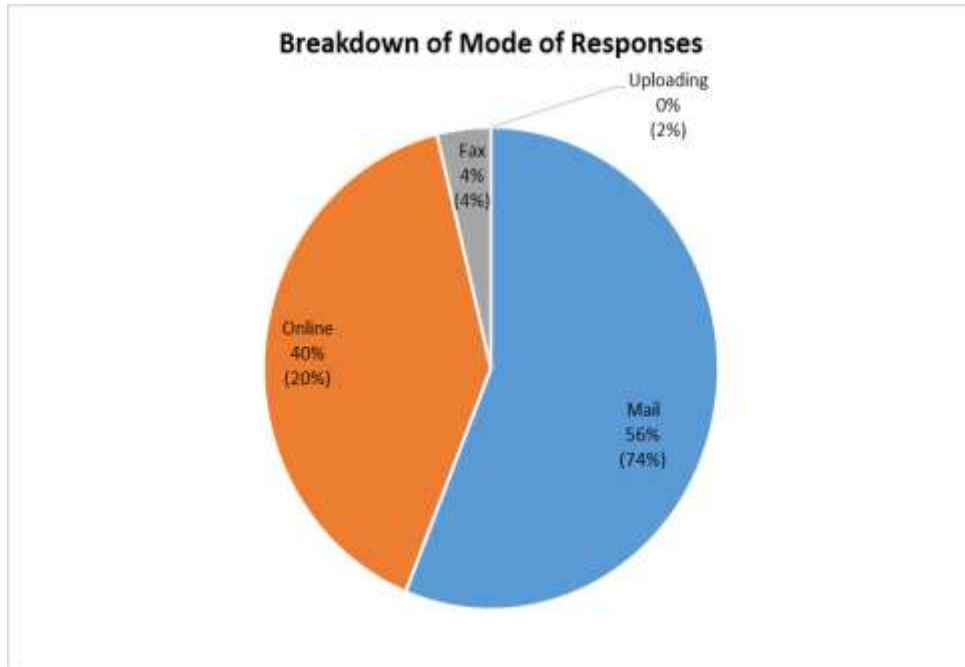
data points for 38 solicitors but none for barristers. Taking corporate responses into account, the total number of target responses was 731 (i.e. 212 + 481 + 38).

- 4.1.3 We believed that the main reasons for the lukewarm responses from individual barristers and solicitors as well as public bodies and major corporations in the 2015 Benchmark Study were the need for compliance with the Personal Data (Privacy) Ordinance (“PD(P)O”), in particular Personal Data (Privacy) (Amendment) Ordinance (“Amendment Ordinance”) that came into force in phases in 2012 and 2013, as well as the rising awareness over personal data privacy among the public at large.
- 4.1.4 The PD(P)O aims to protect the privacy rights of a person in relation to personal data and requires, among others, that personal data must be used for the purpose for which the data is collected or for a directly related purpose. The Amendment Ordinance aims to enhance the protection of personal data privacy of individuals and tighten control over the use of personal data in direct marketing. Furthermore, the Office of the Privacy Commissioner for Personal Data issued guidance note on the use of personal data obtained from the public domain in 2013. Against the above backdrop, the Bar Association and the Law Society adopted a more cautious approach in providing contact information of their members to us for distributing the data collection packages and reminded us not to use the contact information available in their websites for this purpose. For barristers, the packages were sent to individual members of the Bar Association with the Bar Association’s assistance. For solicitors, the packages were distributed to individuals through law firms. In contrast to the arrangement in the 2010 Benchmark Study, in which the packages were sent to individual solicitors directly, the approach in reaching out to individual solicitors indirectly through law firms in the 2015 Benchmark Study had an adverse impact on the responses rates.
- 4.1.5 Public bodies and major corporations were also obliged to comply with the PD(P)O. Despite our explanations and clarifications, they expressed difficulty in providing sensitive information, particularly concerning the professional status, years of practice and earnings levels of their legal practitioners.
- 4.1.6 In addition, public awareness over personal data privacy has been heightened over the years. Legal practitioners might be hesitant to complete the questionnaires which required the provision of sensitive personal information. The fact that we were unable to reach them directly to address their concern in this aspect might also affect their willingness to participate.
- 4.1.7 For survey of this kind which was dependent on respondents’ voluntary participation, it was rather difficult to cause a dramatic boost in responses, in particular when there was a prevailing raising public awareness over personal data privacy.
- 4.1.8 That said, the total number of target responses from more than 700 legal practitioners was still higher as compared to the 2005 Pilot Study. With reference to the market practice in conducting surveys of a similar nature, we considered that the number of data points was adequate for providing sound representation. The findings of the questionnaire survey also tally with the information obtained from the interviews. In addition, there were no anomalies in the spread of data points received. Hence, we were of the view that survey findings were representative and could serve the purpose of working out differential analysis between judicial pay and legal sector earnings.

## 4.2 Mode of Responses

4.2.1 Breakdown of mode of responses as compared to the 2010 Benchmark Study is shown in **Chart 1** below. Mail remained to be the most preferred mode while online questionnaire came next, with a comparable percentage. Online mode became more popular in 2015 when compared to 2010.

*Chart 1*



Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

4.2.2 For barristers, the most preferred mode was mail. Very few chose to respond via online questionnaire or fax. As for solicitors, the most preferred mode was online questionnaire.

## 4.3 Distribution of Responses

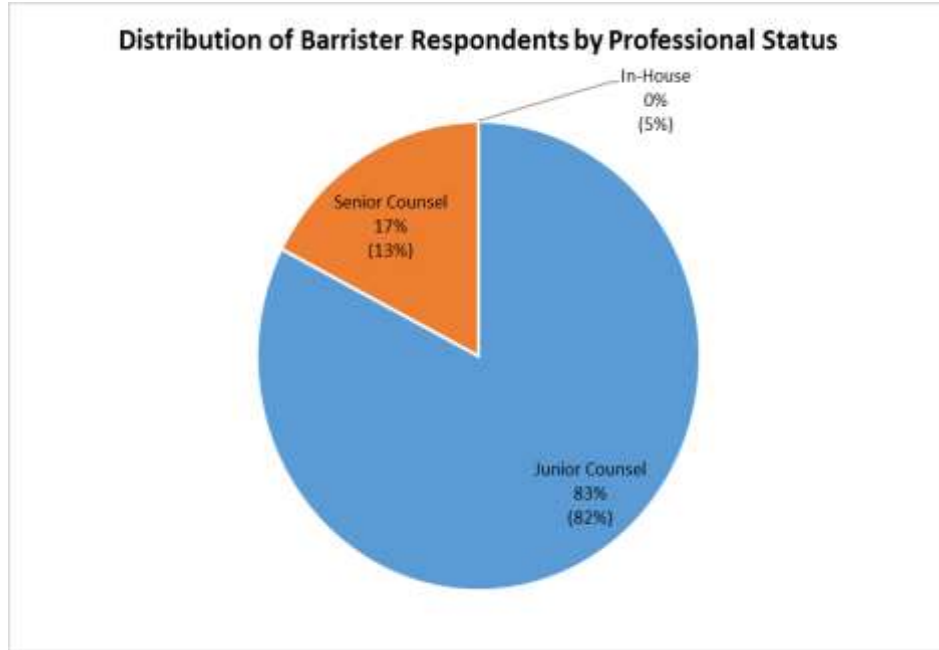
4.3.1 Distribution of responses is analyzed by –

- (a) professional status;
- (b) years of practice;
- (c) age;
- (d) law firm size;
- (e) earnings;
- (f) changes in earnings as compared to five years ago; and
- (g) willingness to join the Bench.

**a. Distribution by Professional Status**

4.3.2 A total of 212 barrister respondents comprised 37 Senior Counsel and 175 Junior Counsel. This distribution was similar to that in the 2010 Benchmark Study. The distribution as compared to the 2010 Benchmark Study is shown in **Chart 2a** below.

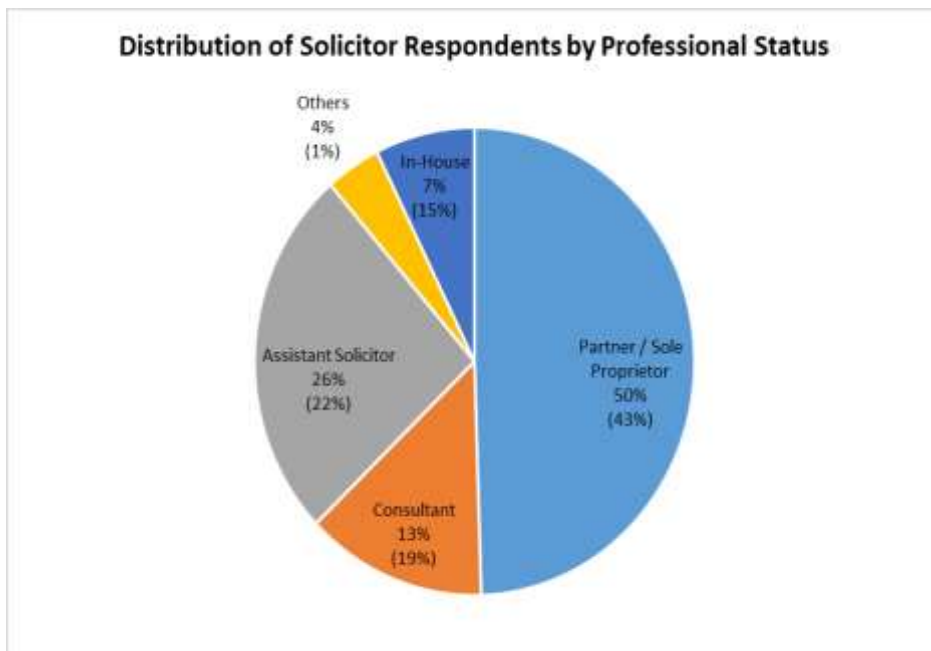
*Chart 2a*



Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

4.3.3 A total of 519 solicitor respondents comprised 257 Partners/Sole Proprietors, 203 Consultants/Assistant Solicitors, 38 In-house Solicitors and 21 others. The distribution, with Partners/Sole Proprietors being the majority, was similar to that of the 2010 Benchmark Study. The distribution as compared to the 2010 Benchmark Study is shown in **Chart 2b** below.

*Chart 2b*

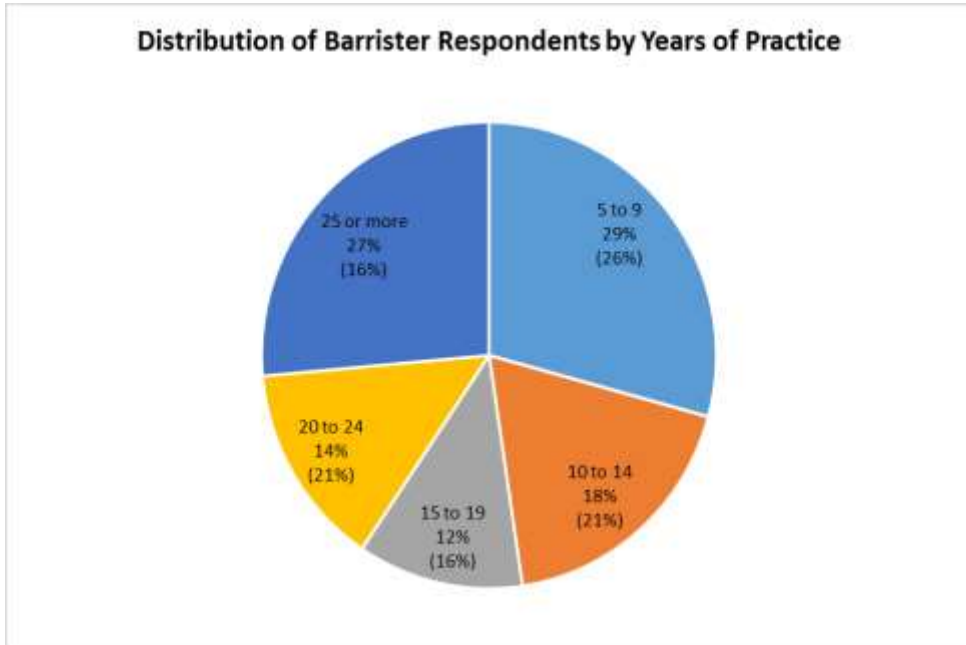


Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

**b. Distribution by Years of Practice**

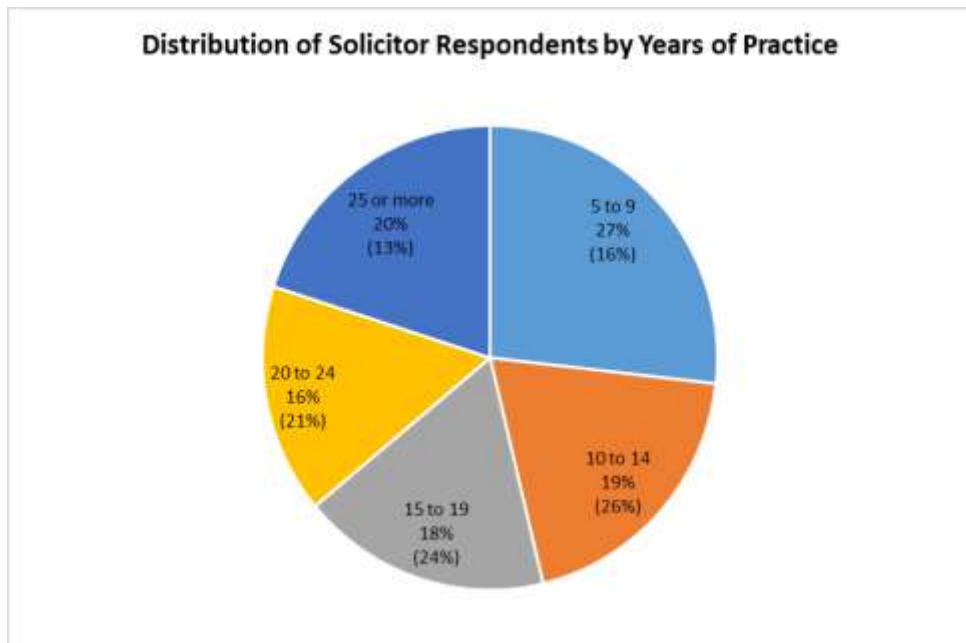
4.3.4 **Charts 3a and 3b** below show the distribution of barrister and solicitor respondents by years of practice as compared to the 2010 Benchmark Study. There were reasonable representations in all five different groups as in the 2010 Benchmark Study.

*Chart 3a*



Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

*Chart 3b*

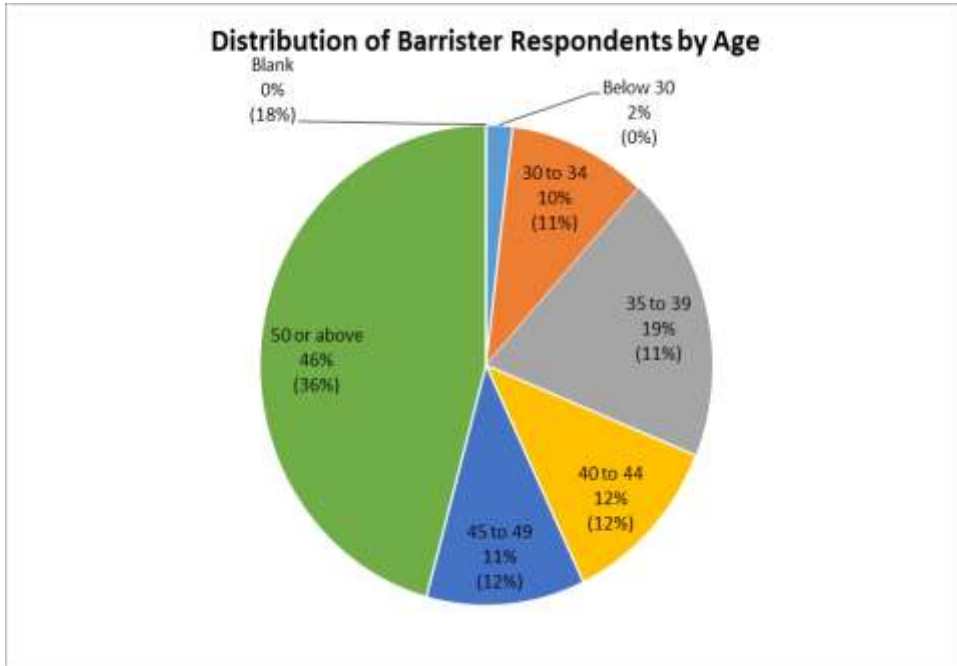


Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

**c. Distribution by Age**

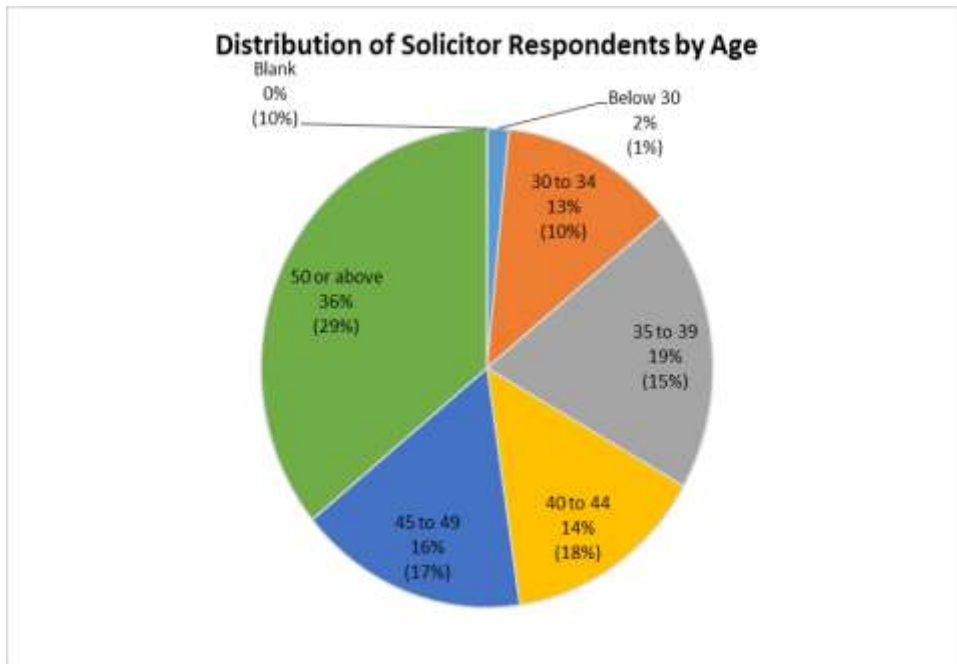
4.3.5 **Charts 4a and 4b** below show the distribution of barrister and solicitor respondents by age as compared to the 2010 Benchmark Study respectively. For both studies, the largest proportion of barrister and solicitor respondents was the group of “50 or above”. There was only a small representation of barrister and solicitor respondents (2% each) in the group of “below 30” (as compared to 1% and nil respectively in the 2010 Benchmark Study). While there is no definite correlation between age and earnings level, information on age allow us to cross-check the data.

*Chart 4a*



Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

*Chart 4b*



Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

**d. Distribution by Law Firm Size**

4.3.6 A question on the number of employees of the law firm to which the individual solicitor attached was newly added to the questionnaire for solicitors. For barristers, they work independently and are not employees of a firm. Hence, no similar question was added to the questionnaires for barristers.

4.3.7 **Chart 5** shows the distribution of solicitor respondents by law firm size (i.e. the number of employees of the law firm to which the solicitor attached). There was a reasonable coverage in all four groups of firm size. As this question was newly added and not included in the 2010 Benchmark Study, no comparison analysis could be conducted at this point. Nevertheless, the information collected in the current exercise will provide reference on the degree of consistency of the survey fields for future benchmark studies.

*Chart 5*



**e. Distribution by Earnings**

4.3.8 **Table 2** below shows the P75 earnings of the legal sector reference in the 2005, 2010 and 2015 studies –

*Table 2: P75 Earnings of Legal Sector Reference (in HK\$ million)*

Years of Practice	2005 (Pilot Study)*	2010	2015
Junior Counsel (5-14 years)	1.75	1.75	2.5
Solicitors (5-14 years)	1.35	1.65	1.75
Junior Counsel (15-24 years)	2.5	2.5	3.5
Solicitors (15-24 years)	2.5	2.5	3.5
Senior Counsel (15-24 years)	7.5	7.5	13.5

\* The Judicial Committee confirmed the feasibility of a benchmark study through the Pilot Study. In the Pilot Study, there was a sampling of solicitors in the survey field.

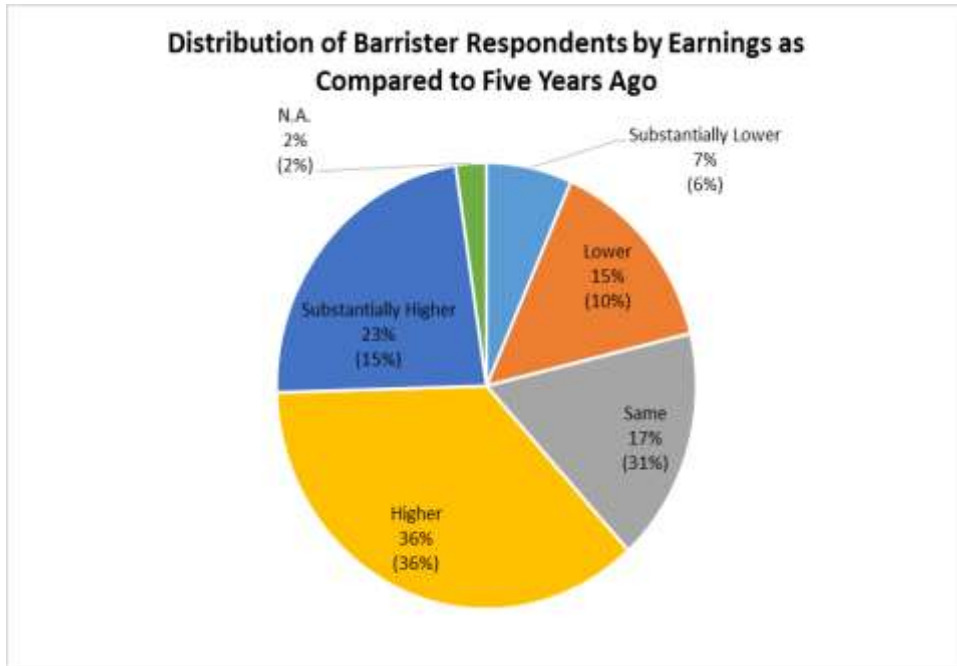
4.3.9 Overall speaking, while the P75 earnings of both barristers and solicitors in 2010 remained broadly similar to those in 2005, there was a rise from 2010 to 2015.

4.3.10 As mentioned in paragraph 3.4.7, the P75 earnings of Senior Counsel with 18 to 28 years of practice is also presented for reference. The survey finding reveals that the P75 earnings of Senior Counsel with 18 to 28 years of practice is \$13.5 million, which is the same as that of Senior Counsel with 15 to 24 years of practice. One possible reason is that for Senior Counsel with ample years of experience, earnings may not change substantially with further accumulation of experience.

*f. Distribution by Changes in Earnings as Compared to Five Years Ago*

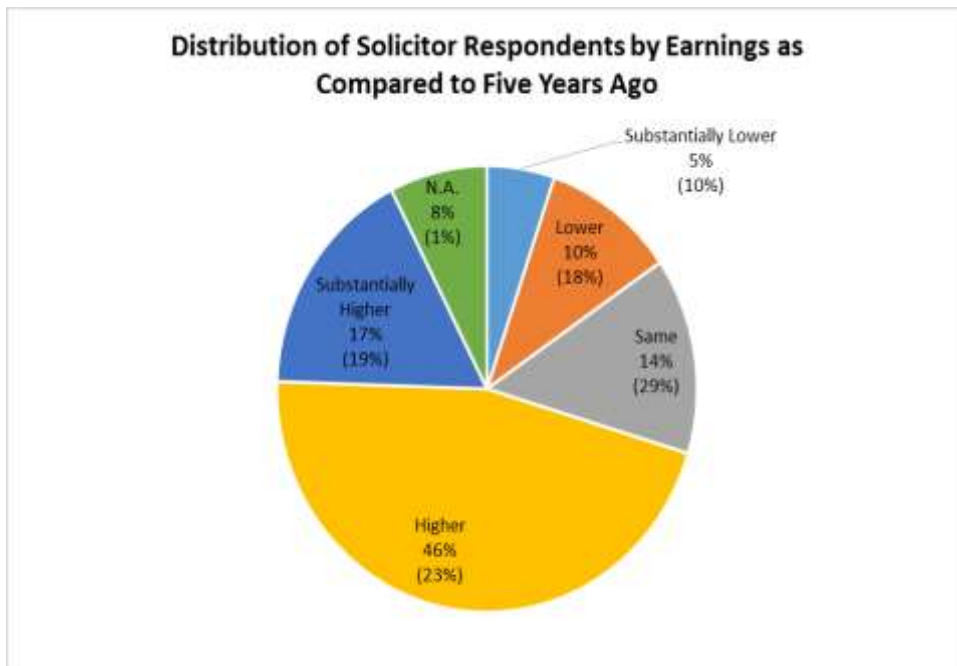
4.3.11 Barristers and solicitors were asked to indicate the changes in their earnings as compared to five years ago (i.e. for the 2015 Benchmark Study, the changes in earnings as compared to 2010; for the 2010 Benchmark Study, the changes in earnings as compared to 2005). **Charts 6a and 6b** below show the distribution of barrister respondents and solicitor respondents by changes in earnings as compared to five years ago.

*Chart 6a*



Note: Figures in brackets denote the changes of earnings as compared with 2005 in the 2010 Benchmark Study. "N.A." denotes "not applicable".

*Chart 6b*



Note: Figures in brackets denote the changes of earnings as compared with 2005 in the 2010 Benchmark Study. "N.A." denotes "not applicable".



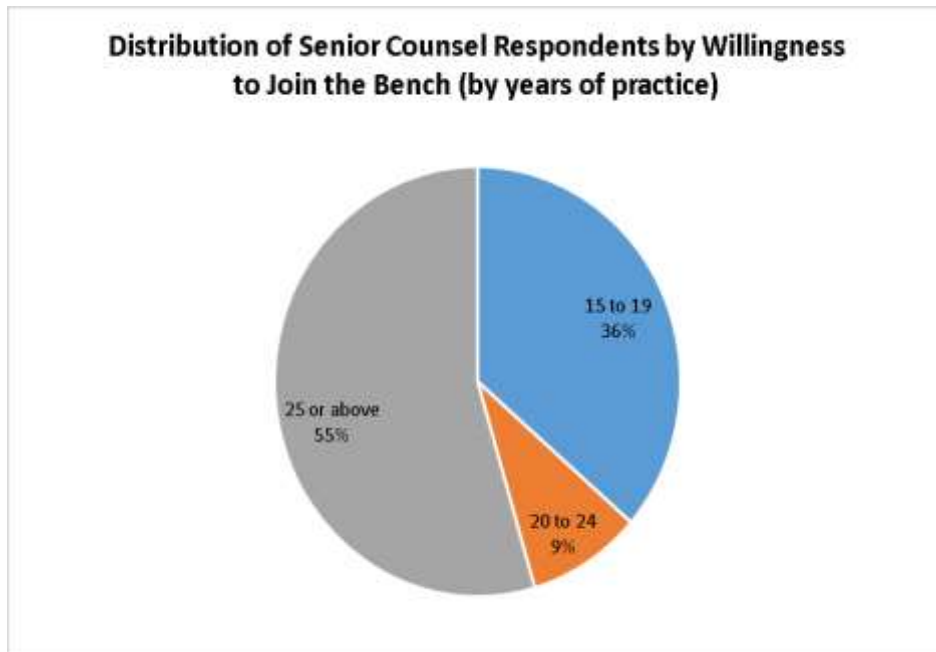
- 4.3.12 59% of barrister respondents and 63% of solicitor respondents indicated in the 2015 Benchmark Study that their earnings, as compared to 2010, were “substantially higher”/“higher” whereas the corresponding percentages were only 51% and 42% respectively in the 2010 Benchmark Study.
- 4.3.13 The percentage of barristers indicated that their earnings were the same over the past five years decreased from 31% in 2010 to 17% in 2015. The percentage of solicitors had the same view also decreased from 29% in 2010 to 14% in 2015.
- 4.3.14 The above perception supported the quantitative findings that overall there was a rise in the P75 earnings of both barristers and solicitors from 2010 to 2015.

**g. Distribution by Willingness to Join the Bench**

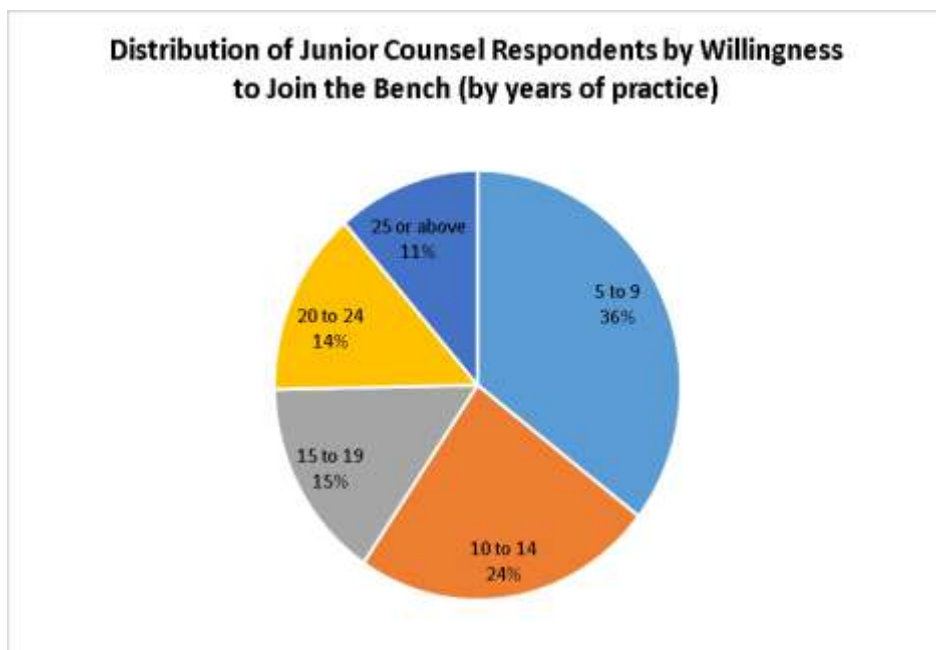
4.3.15 We added a question to gauge the respondents' willingness to join the Bench. A total of 211 barristers (37 Senior Counsel and 174 Junior Counsel) and 484 solicitors responded. Among the 211 barrister respondents, 90 (11 Senior Counsel and 79 Junior Counsel) (43%) were willing to join the Bench while 140 (29%) of the 484 solicitor respondents expressed interest.

4.3.16 **Charts 7a and 7b** below show distribution by years of practice of Senior Counsel respondents and Junior Counsel respondents who expressed interest in joining the Bench respectively.

*Chart 7a*



*Chart 7b*



4.3.17 As shown in **Chart 7a**, the majority of Senior Counsel that expressed interest in joining the Bench were with 25 years of practice or above. This echoed with our findings from interviews that barristers were more interested in joining the Bench in the later part of their career when financial security had been attained.

4.3.18 This question also provided insight on legal practitioners' willingness to join the Bench at the CFI level (which is facing some recruitment difficulties). We have identified the respondents who matched the profile of legal sector reference for CFI Judges (i.e. Senior Counsel with 15 to 24 years of practice) and conducted additional analysis. We noted that 56% of this group of respondents expressed interest in joining the Bench whereas only 30% of all Senior Counsel respondents indicated interest.

4.3.19 The reasons for having interest in joining the Bench are illustrated in **Table 3** below -  
*Table 3: Reasons for having interest in joining the Bench (respondents might choose more than one)*

Reason	Barrister Respondents	Solicitor Respondents
Pay	27%	29%
Benefits	31%	30%
Career Choice	58%	35%
Serving the Community	85%	80%
Others	14%	13%

4.3.20 For barristers, pension was particularly mentioned as one of the reasons. Other reasons cited include:

- (a) stable income and working hour;
- (b) exposure; and
- (c) less demanding workload.

4.3.21 For solicitors, other reasons cited include:

- (a) stable income and working hour;
- (b) exposure; and
- (c) prestigious status.

4.3.22 The reasons for not having interest in joining the Bench are illustrated in **Table 4** below -

*Table 4: Reasons for not having interest in joining the Bench (respondents might choose more than one)*

Reason	Barrister Respondents	Solicitor Respondents
Pay	67%	16%
Benefits	21%	6%
Career Choice	99%	65%
Others	48%	19%

4.3.23 For barristers, other reasons cited include:

- (a) no intention to have a career change since it was about time to retire;
- (b) lack of freedom and privacy; and
- (c) demanding workload.

- 4.3.24 For solicitors, other reasons cited include:
- (a) no intention to have a career change since it was about time to retire;
  - (b) language barrier (increasing number of cases conducted in Chinese);
  - (c) lack of freedom and privacy;
  - (d) demanding workload;
  - (e) bureaucratic and lack of challenge;
  - (f) unstable working hour; and
  - (g) political uncertainty.
- 4.3.25 Most of the barrister respondents who were interested in joining the Bench chose “serving the community” as one of the reasons. As for those who were not interested, most of them chose “career choice”, implying that they did not want a career change. Besides, quite a number of them also chose “pay”.
- 4.3.26 Similar to barrister respondents, most of the solicitor respondents who were interested in joining the Bench chose “serving the community” as one of the reasons whereas those who were unwilling to join the Bench chose “career choice”.

#### 4.4 Corporate Responses

- 4.4.1 Of the 29 public bodies and major corporations invited, nine (31%) submitted data, adding 38 solicitors to the pool of respondents. The participating public bodies and major corporations are listed in **Table 5** below –

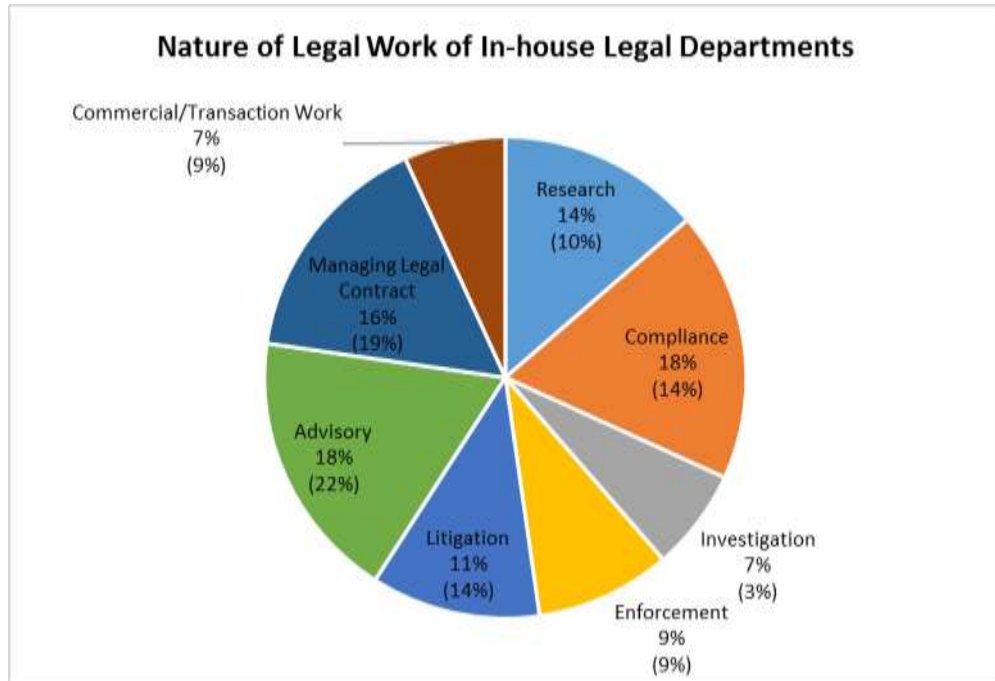
*Table 5: List of Participating Public Bodies and Major Corporations*

	Name of Public Bodies and Major Corporations
1	Cathay Pacific Airways Limited
2	Equal Opportunities Commission
3	Estate Agents Authority
4	Hong Kong Electric Holdings Limited
5	Hong Kong Exchanges and Clearing Limited
6	Hong Kong Tourism Board
7	Mandatory Provident Fund Schemes Authority
8	MTR Corporation
9	The Hong Kong Jockey Club

- 4.4.2 Among the nine public bodies and major corporations, three of them had their legal department staffed with 5-14 employees while the remaining six with less than five employees performed dedicated statutory regulatory and enforcement functions. All these nine public bodies and major corporations complied with the selection criteria as set out in paragraph 2.3.6.

4.4.3 **Chart 8** below shows the nature of legal work of the in-house legal departments of these public bodies and major corporations, compared to the 2010 Benchmark Study. Among the areas of work, compliance (18%) and litigation (11%) may be relevant to judicial work.

*Chart 8*



Note: Figures in brackets denote the relevant figures in the 2010 Benchmark Study.

#### **4.5 Availability of Long-term Incentives**

- 4.5.1 One solicitor, an equity partner, indicated that he/she had received LTIs, but had not provided further details.
- 4.5.2 Of the nine participating public bodies and major corporations, one indicated that LTIs in the form of share options were granted to most of their in-house practitioners, who were occupying senior positions in their legal departments, e.g. Managing Director or Vice President. Information on the value of the LTIs was not provided.

## 5. Relativities between Judicial Pay and Legal Sector Earnings

### 5.1 Basis for Comparison

5.1.1 As mentioned in paragraphs 3.4.6 and 3.4.7, differential analysis between judicial pay at the three judicial entry levels, i.e. Magistrate, District Judge and CFI Judge, and legal sector earnings was worked out based on the following legal sector reference –

- Magistrate: Junior Counsel/solicitors with 5 to 14 years of practice;
- District Judge: Junior Counsel/solicitors with 15 to 24 years of practice;
- CFI Judge: Senior Counsel with 15 to 24 years of practice.

Differential analysis for CFI Judges based on the legal sector reference of Senior Counsel with 18 to 28 years of practice for 2015 Benchmark Study was also presented for reference.

### 5.2 Differential Analysis

5.2.1 Differential between judicial pay and legal sector earnings was presented as a percentage: judicial pay less legal sector earnings divided by legal sector earnings, expressed as a percentage. If legal sector earnings were 100, and judicial pay was 60, then the differential was -40%. If judicial pay was 140 and legal sector earnings were 100, then the differential was +40%. The primary purpose of assessing the differential was to understand the magnitude of difference and to monitor the differential, in a simple and straightforward manner.

5.2.2 **Table 6** presents the differentials between judicial pay and legal sector earnings in 2005, 2010 and 2015.

*Table 6: Differential between Judicial Pay and P75 Legal Sector Earnings (in HK\$ million)*

Judicial Entry Rank	Average Annual Total Cost			Legal Sector Reference (Years of Practice)	2005 (Pilot Study)*		2010		2015	
	2005 (Pilot Study)*	2010	2015		P75	Diff.	P75	Diff.	P75	Diff.
Magistrate	1.96	1.87	2.1	Junior Counsel (5-14 years)	1.75	12%	1.75	7%	2.5	-16%
				Solicitors (5-14 years)	1.35	46%	1.65	13%	1.75	20%
District Judge	2.69	2.75	3.37	Junior Counsel (15-24 years)	2.5	8%	2.5	10%	3.5	-4%
				Solicitors (15-24 years)	2.5	8%	2.5	10%	3.5	-4%
CFI Judge	3.98	4.34	5.39	Senior Counsel (15-24 years)	7.5	-47%	7.5	-42%	13.5	-60%

\* Through the Pilot Study, the Judicial Committee confirmed the feasibility of a benchmark study and noted the then relativities between judicial salaries and earnings of private legal practitioners, which served as a reference point in monitoring the changes in their pay relativities over time. In the Pilot Study, there was a sampling of solicitors in the survey field.

5.2.3 **Table 6** shows the following changes in differentials between judicial pay and legal sector earnings for the three judicial entry ranks –

**Magistrate:**

- For Junior Counsel (5-14 years) – Judicial pay was above legal sector earnings in 2005 and 2010 but below legal sector earnings in 2015. The differential slightly narrowed from 12% in 2005 to 7% in 2010 but reversed to -16% in 2015.
- For solicitors (5-14 years) – Judicial pay was above legal sector earnings in 2005, 2010 and 2015. The differential narrowed from 46% in 2005 to 13% in 2010 but widened to 20% in 2015.

**District Judge:**

- For Junior Counsel and solicitors (15-24 years) – Judicial pay was above legal sector earnings in 2005 and 2010 but below legal sector earnings in 2015. The differential slightly widened from 8% in 2005 to 10% in 2010 but reversed to -4% in 2015.

**CFI Judge:**

- For Senior Counsel (15-24 years) – Judicial pay was below legal sector earnings in 2005, 2010 and 2015. The differential slightly narrowed from -47% in 2005 to -42% in 2010 but widened to -60% in 2015.

- 5.2.4 In the 2015 Benchmark Study, except for the comparison between pay of Magistrate and the legal sector earnings of solicitors (5-14 years), judicial pay levels were all below legal sector earnings.
- 5.2.5 It is also worth noting that the pay differentials for CFI Judge in 2005, 2010 and 2015 indicate that judicial pay has been consistently lower than legal sector earnings over the years, at a substantial extent by -47%, -42% and -60% in 2005, 2010 and 2015 respectively. As for District Judge, it was the first time that judicial pay was below legal sector earnings. For Magistrate, the pay differentials between judicial pay and legal sector earnings for Junior Counsel and solicitors pointed in the opposite directions in 2015: -16% for Junior Counsel (i.e. judicial pay was below legal sector earnings by 16%) and 20% for solicitors (i.e. judicial pay was above legal sector earnings by 20%), whilst judicial pay was above legal sector earnings for both Junior Counsel and solicitors in 2005 and 2010.
- 5.2.6 While the legal sector earnings in 2010 remained broadly similar to that in 2005, there was an overall increase in the legal sector earnings in 2015 as compared to 2010. The increase in legal sector earnings was substantially higher for experienced barristers and solicitors than that for less experienced solicitors.
- 5.2.7 While it is not the objective of this study to examine the reasons for the change in legal sector earnings, we would like to share a few observations.
- 5.2.8 The outbreak of the global financial tsunami completely derailed the upturn of the Hong Kong economy since 2003 and the global financial crisis and the ensuing severe recession continued to weigh heavily on the Hong Kong economy in 2009. While economic recovery in Hong Kong became more entrenched in 2010, the overall economy for the period from 2005 to 2010 was stagnant. The above attributed to no significant change in legal sector earnings from 2005 to 2010.
- 5.2.9 In contrast, the Hong Kong economy was on a modest expansion path during the period of 2010 to 2015. Generally speaking, there was a rising earnings trend for

solicitors as they tended to have more business earnings generated from conveyancing as well as financial activities such as merger and acquisition, initial public offering, international business expansion, servicing the mainland China's business and expansion and other commercial transactions.

- 5.2.10 As for barristers, their earnings were more dependent upon the number and complexity of litigations and criminal cases they handled. Barrister interviewees shared with us during the interviews that the number of high profile and long cases increased, so as the complexity of cases.
- 5.2.11 As mentioned in paragraph 4.3.14, the responses on the changes in earnings as compared to 2010 also suggested there was a rise in the earnings of both barristers and solicitors from 2010 to 2015.
- 5.2.12 Nevertheless, the increase in the earnings of junior solicitors with 5 to 14 years of practice during the period from 2010 to 2015 was not as promising as that of more experienced ones. We understood from the interviews that although the business was in an upward trend and there was a pay rise, with the increase in supply of junior solicitors, they might not have much bargaining power for a more attractive remuneration package.

***Impact of Inclusion of In-house Practitioners on the survey findings***

- 5.2.13 The number of corporate responses of 38 solicitors was small. Our analysis indicates that there is no impact of inclusion of in-house practitioners on the survey findings. Differential analysis with corporate responses excluded, which is exactly the same as those with corporate responses included shown in Table 6 above, is illustrated in **Table 7** below –

*Table 7: Differential between Judicial Pay and P75 Legal Sector Earnings (2015 vs 2010 vs 2005) (in HK\$ million) (with corporate responses excluded)*

Judicial Entry Rank	Average Annual Total Cost			Legal Sector Reference (Years of Practice)	2005 (Pilot Study)*		2010		2015	
	2005 (Pilot Study)*	2010	2015		P75	Diff.	P75	Diff.	P75	Diff.
Magistrate	1.96	1.87	2.1	Junior Counsel (5-14 years)	1.75	12%	1.75	7%	2.5	-16%
				Solicitors (5-14 years)	1.35	46%	1.65	13%	1.75	20%
District Judge	2.69	2.75	3.37	Junior Counsel (15-24 years)	2.5	8%	2.5	10%	3.5	-4%
				Solicitors (15-24 years)	2.5	8%	2.5	10%	3.5	-4%
CFI Judge	3.98	4.34	5.39	Senior Counsel (15-24 years)	7.5	-47%	7.5	-42%	13.5	-60%

\* Through the Pilot Study, the Judicial Committee confirmed the feasibility of a benchmark study and noted the then relativities between judicial salaries and earnings of private legal practitioners, which served as a reference point in monitoring the changes in their pay relativities over time. In the Pilot Study, there was a sampling of solicitors in the survey field.



## 6. Summary of Interview Findings

### 6.1 Profiles of Interviewees

6.1.1 The profiles of the 18 barristers and 17 solicitors randomly selected for interviews are set out in **Table 8** below. The interviews generally represented a balanced profile of interviewees in terms of professional status and years of practice.

*Table 8: Profiles of Interviewees*

(a) *By Professional Status –*

Professional Status	No. of Barristers	Professional Status	No. of Solicitors
Senior Counsel	2	Partner/Sole Proprietor	4
Junior Counsel	16	Consultant/Assistant Solicitor	11
In-house Barrister	0	In-house Solicitor	2
<b>Total</b>	<b>18</b>	<b>Total</b>	<b>17</b>

(b) *By Years of Practice –*

Years of Practice	No. of Barristers	No. of Solicitors
Less than 15 years	8	7
15 to 18 years	6	4
19 to 28 years	2	3
29 or above years	2	3
<b>Total</b>	<b>18</b>	<b>17</b>

### 6.2 Views of Interviewees

6.2.1 **Table 9** provides a summary of views of barristers or solicitors on the interview topics. Some general observations are summarized below.

6.2.2 On judicial service and remuneration, perception and attitude of barrister and solicitor interviewees towards the judicial service and remuneration remained broadly the same as in previous studies. While most interviewees did not have in-depth understanding of the remuneration of JJOs, most of barrister interviewees perceived that legal sector earnings were higher than judicial pay and some solicitor interviewees had the same perception. None of the interviewees considered that the prevailing judicial pay was too high.

6.2.3 On interest in joining the Bench –

(a) A majority of barrister interviewees expressed interest in joining the Bench, in the later part of their career when financial security had been attained. Most of them considered serving the community as well as prestige and honour of being a Judge were the important factors which attracted legal practitioners to join the Bench. This observation is also consistent with that in the previous studies. Most cited that judicial pay was not a deciding factor for considering judicial appointment. They expected to have a reduction in earnings if they joined the Bench.

(b) Solicitor interviewees tended to be less interested in joining the Bench. They indicated that they would consider joining the Bench in the later part of their career, by then they should have attained financial security. Most of the interviewees expressed that they were not aware of the openings in the

Judiciary as well as the recruitment process and would welcome if the Judiciary could provide more information on this aspect.

- (c) Some barrister and solicitor interviewees expressed interest in taking up short-term judicial appointments as Recorders or Deputies to have an opportunity to learn more about the Judiciary to facilitate them in exploring joining the Bench.

Table 9: Summary of Views

Topic	Barristers	Solicitors
<b>◇ Topic 1: Earnings of Barristers/Solicitors</b>		
1.1 Structure of earnings	<ul style="list-style-type: none"> <li>- Barristers' earnings came from the fees they received for cases they handled, net of expenses for rent, secretarial support and their share of expenses of a chamber.</li> <li>- A majority expressed they would expect better earnings prospect due to an increasing demand for legal professional services. However, they were also concerned that latest development of the legal system might have impact on their earnings.</li> </ul>	<ul style="list-style-type: none"> <li>- For partners, consultants and sole proprietors, their earnings were either based on the cases they handled or a percentage based on income that they brought to the firm (especially for consultants).</li> <li>- Assistant solicitors, on the other hand, received base salary plus commissions for business brought in or cases handled, plus housing allowance.</li> <li>- For those serving as in-house solicitors, their earnings were mainly their salary plus allowances and variable pay.</li> </ul>
1.2 Earnings as compared to 2010 and possible reasons for changes (if any)	<ul style="list-style-type: none"> <li>- In general, the fee level depended on years of practice.</li> <li>- A majority indicated earnings tended to be slightly higher or higher as the volume of cases handled together with the number of high profile cases increased. Nevertheless, some commented that high rental expenses and cost inflation had an impact on their earnings.</li> </ul>	<ul style="list-style-type: none"> <li>- Earnings of solicitors in private practice varied.</li> <li>- Most partners and sole proprietors indicated that their earnings fluctuated and were driven by the market.</li> <li>- One mentioned that legal fee did not increase much since there was an increase in the supply of solicitors. Most solicitors with less than 15 years of practice indicated that their earnings were relatively stable over the years.</li> <li>- Earnings of in-house solicitors depended on the corporate performance.</li> </ul>
<b>◇ Topic 2: Attractiveness of Joining the Judiciary</b>		
2.1 Qualifications and Characteristics / requirements for being a judge	<ul style="list-style-type: none"> <li>- The following characteristics were important for being a judge. Most were similarly expressed in the 2010 Benchmark Study – <ul style="list-style-type: none"> <li>• Judicial temperament;</li> <li>• Impartial and objective;</li> <li>• Legal excellence; best in the legal practice;</li> <li>• Solid experience;</li> <li>• Integrity;</li> <li>• Passion in public affairs; and</li> <li>• Prestige role and gain respect from the legal practice.</li> </ul> </li> <li>- Barristers/solicitors in private practice tended to be more client-focused. One mentioned the career aspiration was different as judges focused on serving the community and upholding the legal system while private legal practitioners were</li> </ul>	

Topic	Barristers	Solicitors
	highly commercial oriented. One indicated that the training and experience of a solicitor could be difficult to match the requirements for being a judge.	
2.2 Differences between serving as a judge and practicing law	<ul style="list-style-type: none"> <li>- Private practice was generally commercial oriented with fluctuations in working hours.</li> <li>- A judge had relatively less workloads. He/she had to be able to make precise judgment from arguments while private practice required strong client focus.</li> </ul>	<ul style="list-style-type: none"> <li>- Solicitors in private practice were highly commercial driven.</li> <li>- The talent pool was very different. Solicitors selected their area of specialty early in the career. Most indicated they would not switch to work as a barrister, and less likely to join the Bench as their experience would then be less relevant.</li> <li>- A judge had to make sound judgment, which had widespread impact.</li> </ul>
2.3 What is attractive about being a judge	<ul style="list-style-type: none"> <li>- Power, prestigious status.</li> <li>- Honor to serve as judges.</li> <li>- Security of tenure, stability, regular pay, pension, housing benefits.</li> <li>- Serving the community, perform public duties, in particular law development.</li> <li>- Good work life balance compared to private legal practitioners.</li> <li>- High esteem.</li> </ul>	
2.4 What is unattractive about being a judge	<ul style="list-style-type: none"> <li>- A substantial income reduction to serve as a judge.</li> <li>- Restriction on returning to private practice.</li> <li>- Cutting down of social ties.</li> </ul>	
2.5 Interest to join the Bench	<ul style="list-style-type: none"> <li>- A majority expressed interest, but some of them would not consider because of pay and career choice. Those expressed interest considered that pay was not a key concern, if they were financially secured.</li> </ul>	<ul style="list-style-type: none"> <li>- Most were not interested since their experience was less relevant and it would be difficult for them to join the Bench.</li> <li>- Some mentioned that they did not know much about the recruitment process and vacancies of the Judiciary. They did not know the requirements of being a JJO.</li> <li>- There was a suggestion that the Judiciary should organize seminars to introduce recruitment opportunities to the junior legal practitioners, so they could know more about the career path in the Judiciary, prepare for themselves and start building up the relevant experience.</li> </ul>
2.6 Interest to join the Bench at the CFI level	<ul style="list-style-type: none"> <li>- Views expressed were similar to those mentioned in 2.5 above.</li> </ul>	
2.7 Interest in appointment as Recorder / External Deputies	<ul style="list-style-type: none"> <li>- Some expressed interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Most of the solicitors did not know about Recorder and External Deputies, but saw them as an opportunity to learn more about the Judiciary to facilitate them in exploring joining the Bench.</li> </ul>

Topic	Barristers	Solicitors
<b>◇ Topic 3: Remuneration of Magistrate/Judge</b>		
3.1 Remuneration of judges as compared to practitioner with same qualification and experience (perception)	<ul style="list-style-type: none"> <li>- Most barristers perceived that judicial pay was lower than legal sector earnings. One of them perceived that legal sector earnings were around 10% higher than judicial pay.</li> <li>- Only a few considered that there was not much difference between legal sector earnings and judicial pay.</li> </ul>	<ul style="list-style-type: none"> <li>- Perception varied.</li> <li>- Some perceived that legal sector earnings were higher than judicial pay.</li> <li>- One solicitor perceived judicial pay to be relatively higher than legal sector earnings at junior level.</li> <li>- One indicated that benefits for JJOs, in particular pensions, was better than those for legal practitioners.</li> </ul>
3.2 Is remuneration an important factor to attract practitioners to serve as JJOs	<ul style="list-style-type: none"> <li>- Most indicated that serving as judges would have a substantial income reduction, but remuneration was not a major consideration factor for serving as judges.</li> </ul>	
3.3 Current earnings as compared to judges	<ul style="list-style-type: none"> <li>- The majority view was that their current earnings were higher than the pay of the JJOs with similar years of practice.</li> </ul>	<ul style="list-style-type: none"> <li>- Most indicated they did not know much about the remuneration package of judges.</li> </ul>
3.4 General view on judicial remuneration	<ul style="list-style-type: none"> <li>- The general perception was that judicial pay need not necessarily be comparable with legal sector earnings, as pay was not a factor for barristers to consider joining the Bench.</li> </ul>	<ul style="list-style-type: none"> <li>- Some indicated that judges deserved to have a good remuneration package because of their important role in upholding the legal system in Hong Kong while others considered remuneration was not a major factor.</li> </ul>
3.5 View on remuneration for CFI Judges	<ul style="list-style-type: none"> <li>- Views expressed were similar to those mentioned in 3.4 above.</li> </ul>	<ul style="list-style-type: none"> <li>- Views expressed were similar to those mentioned in 3.4 above.</li> </ul>
<b>◇ Topic 4: Higher Rights of Audience to Solicitors (for solicitors only)</b>		
4.1 Interest in applying for higher rights of audience		<ul style="list-style-type: none"> <li>- Not interested. Some explained that they had not considered a career change and granting such rights to them would not add value to their work.</li> <li>- Some expected that senior solicitors might be interested in applying for such rights.</li> </ul>

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## 7. Observations and Recommendations

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### 7.1 Legal Sector Earnings and Judicial Pay

- 7.1.1 Legal practitioners are remunerated in many different ways. Most solicitors who are employees in law firms receive base salary with allowance and variable pay whereas for barristers and solicitors in private practice, who are either sole proprietors or partners of firms, their earnings are derived from the profit of operating the proprietorship or partnership. Compared with legal sector earnings which are relatively volatile in nature, judicial pay is well structured. Benefits like pension offered to JJOs are rarely provided in the private sector nowadays.
- 7.1.2 The nature of judicial work is very different from that of legal practitioners. We do not consider it appropriate to directly compare judicial pay and legal sector earnings.

### 7.2 Survey Findings as a Reference

- 7.2.1 As mentioned in paragraph 1.2.2, the objective of this study is to collect information/data on legal sector earnings for analyses and comparison with judicial remuneration in Hong Kong, with a view to checking whether judicial pay is kept broadly in line with the movements of legal sector earnings over time.
- 7.2.2 In the 2015 Benchmark Study, except for the comparison between pay of Magistrate and the legal sector earnings of solicitors (5-14 years), judicial pay levels were all below legal sector earnings.
- 7.2.3 It is also worth noting that the pay differentials for CFI Judge in 2005, 2010 and 2015 indicate that judicial pay has been consistently lower than legal sector earnings over the years, at a substantial extent by -47%, -42% and -60% in 2005, 2010 and 2015 respectively. As for District Judge, it was the first time that judicial pay was below legal sector earnings. For Magistrate, the pay differentials between judicial pay and legal sector earnings for Junior Counsel and solicitors pointed in the opposite directions in 2015: -16% for Junior Counsel (i.e. judicial pay was below legal sector earnings by 16%) and 20% for solicitors (i.e. judicial pay was above legal sector earnings by 20%), whilst judicial pay was above legal sector earnings for both Junior Counsel and solicitors in 2005 and 2010.

### 7.3 Perceptions on Judicial Service and Remuneration

- 7.3.1 The overall perception and attitude of barrister and solicitor respondents towards the judicial service remains broadly the same as those in the previous studies that pay is not a deciding factor for considering judicial appointment.
- 7.3.2 The desire to serve the community as well as prestige and honor of being a judge are the major factors that attract legal practitioners to join the Bench. This observation is also consistent with that in previous studies.
- 7.3.3 In view of the above, there are no obvious changes in perception and attitude of the legal practitioners towards judicial remuneration in considering judicial appointment.
- 7.3.4 As the nature of barrister's work is closer to judicial work due to its litigation focus, and that barristers are more familiar with the courts system, function and process, relatively more barrister respondents expressed interest to join the Bench at the later

part of their career when financial security has been attained. Such views were expressed at the questionnaire survey and during the interviews and applied to all levels of court. On the other hand, solicitors are more diverse in their practice and specialization. Compared to barristers, they have less intention in joining the Bench.

#### **7.4 Balanced Approach**

- 7.4.1 We understand that under the mechanism for JRR, the Judicial Committee adopts a balanced approach in reviewing judicial remuneration by taking into account a basket of factors. The basket of factors include, among others, recruitment and retention in the Judiciary, the retirement age and retirement benefits of JJOs, the benefits and allowances enjoyed by JJOs, public sector pay as a reference, private sector pay levels and trends and the general economic situation in Hong Kong.
- 7.4.2 The inherent differences between the judicial service and private sector and their uniqueness render direct comparison between judicial pay and legal sector earnings inappropriate. The data collected should not be translated into precise figures for determining the levels of judicial salaries.
- 7.4.3 The study only captures market information at a particular point in time. Amid the dynamic situation in the private sector and economic environment, the sustainability of the factors driving the higher earnings in 2015 could not be ascertained in the long run. In addition, similar to any other surveys, there are inherent discrepancies in statistical surveys and elements of chance.
- 7.4.4 In view of the above, a broader view taking into account all relevant considerations should be taken in determining whether, and if so, how judicial pay should be adjusted.

#### **7.5 Technical Aspects of Survey Methodology for Future Studies**

- 7.5.1 The appeals from the Chairman of the Judicial Committee, the Chairman of the Bar Association and the President of the Law Society have helped soliciting participations from target respondents. Appeals issued by the Bar Association and Law Society also helped boost the response rates. Continued efforts should be made to enhance the data collection process and mode of appeals.
- 7.5.2 Support from the Bar Association and the Law Society remained to be the key to the success of the study. Engagement with the secretariats of the two professional bodies will be conducive to the future surveys.
- 7.5.3 The enactment of the PDPO and the increased public awareness over personal data privacy in recent years posed huge challenge to the study and had an adverse impact on the response rates in the questionnaire survey. We expect the next studies will have to face the same, if not greater, challenge. In this regard, apart the communication channels adopted in this study, further engagement with law firms may be explored with a view to boosting the response rates. Measures to safeguard the handling of personal data should also be communicated to target respondents.

**2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**  
*Survey of the Earnings of Barristers*

Thank you for participating in this important survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. The information collected will be kept in the strictest confidence at all times and under safe custody until such time they are destroyed.

**Professional background**

For enquiries on this questionnaire, please contact Hay Group consultants at 2864 2253.

1. Please indicate your professional status.
  - Counsel
  - Senior Counsel
2. Please indicate whether the practice of law in Hong Kong is your primary occupation.
  - Yes
  - No

If the answer to Question 2 is “Yes”, please continue to answer the remaining questions. If “No”, please STOP completing the questionnaire, and return it to the Hay Group for statistical purposes.

3. Please indicate the number of years that you have been practising law in Hong Kong and/or any other common law jurisdiction (including any period as a legal officer in the Government or as a solicitor, and excluding in-house legal experience) and your age.

Years of practice (as at 31 March 2015)

year(s)

Age

- Below 30
- 30 to 34
- 35 to 39
- 40 to 44
- 45 to 49
- 50 or above

**Earnings as a legal practitioner**

4. Please indicate your earnings<sup>NOTE</sup> in the financial year ending on 31 March 2015.

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Less than \$500,000<br><input type="checkbox"/> \$500,000 to \$600,000<br><input type="checkbox"/> \$600,001 to \$700,000<br><input type="checkbox"/> \$700,001 to \$800,000<br><input type="checkbox"/> \$800,001 to \$900,000<br><input type="checkbox"/> \$900,001 to \$1,000,000 | <input type="checkbox"/> \$1,000,001 to \$1,200,000<br><input type="checkbox"/> \$1,200,001 to \$1,500,000<br><input type="checkbox"/> \$1,500,001 to \$2,000,000<br><input type="checkbox"/> \$2,000,001 to \$3,000,000<br><input type="checkbox"/> \$3,000,001 to \$4,000,000<br><input type="checkbox"/> \$4,000,001 to \$6,000,000 | <input type="checkbox"/> \$6,000,001 to \$9,000,000<br><input type="checkbox"/> \$9,000,001 to \$12,000,000<br><input type="checkbox"/> \$12,000,001 to \$15,000,000<br><input type="checkbox"/> More than \$15,000,000 |
|---|--|---|

5. Compared to 2010, your earnings are –
  - substantially higher
  - higher
  - same
  - lower
  - substantially lower
  - not applicable

6. The main reason for the above difference is (optional) \_\_\_\_\_

7. Are you interested in serving as Magistrate/Judge? And why? (You may choose more than one)

- |   |  |
|---|--|
| <input type="checkbox"/> Yes <ul style="list-style-type: none"> <li><input type="checkbox"/> Pay</li> <li><input type="checkbox"/> Benefits</li> <li><input type="checkbox"/> Career choice</li> <li><input type="checkbox"/> Serving the community</li> <li><input type="checkbox"/> Other: _____</li> </ul> | <input type="checkbox"/> No <ul style="list-style-type: none"> <li><input type="checkbox"/> Pay</li> <li><input type="checkbox"/> Benefits</li> <li><input type="checkbox"/> Career choice</li> <li><input type="checkbox"/> Other: _____</li> </ul> |
|---|--|

**END OF QUESTIONNAIRE.** Thank you for completing the questionnaire. Please return the completed questionnaire to Hay Group by 20 November 2015 by post with the enclosed stamped return envelope, fax to 2866 1111 or email to [hk2015study@haygroup](mailto:hk2015study@haygroup).

NOTE Earnings are your income from the practice of law after deduction of all expenses directly related to your practice, before taxes.

Please tick “✓” as appropriate.

**2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**  
*Survey of the Earnings of Solicitors*

Thank you for participating in this important survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. The information collected will be kept in the strictest confidence at all times and under safe custody until such time they are destroyed.

**Professional background**

For enquiries on this questionnaire, please contact Hay Group consultants at 2527 9797.

1. Please indicate your professional status.

- |  |                                       |
|--|---------------------------------------|
| <input type="checkbox"/> Partner/Sole Proprietor | <input type="checkbox"/> Consultant   |
| <input type="checkbox"/> Assistant Solicitor     | <input type="checkbox"/> Others _____ |

2. Please indicate whether the practice of law in Hong Kong is your primary occupation.

- Yes  No

If the answer to Question 2 is “Yes”, please continue to answer the remaining questions. If “No”, please STOP completing the questionnaire, and return it to the Hay Group for statistical purposes.

3. Please indicate the number of years that you have been practising law in Hong Kong and/or any other common law jurisdiction (including any period as a legal officer in Government or as a barrister, and excluding in-house legal experience), your age and total number of employees in your firm.

Years of practice (as at 31 March 2015)

year(s)
---------

Age

- Below 30  
 30 to 34  
 35 to 39  
 40 to 44  
 45 to 49  
 50 or above

Total number of employees

- Up to 50  
 51 to 100  
 101 to 150  
 Above 150

**Earnings as a legal practitioner**

4. Please indicate your earnings<sup>NOTE</sup> from the practice of law in the financial year ending on 31 March 2015.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Less than \$500,000      | <input type="checkbox"/> \$1,000,001 to \$1,200,000 | <input type="checkbox"/> \$6,000,001 to \$9,000,000   |
| <input type="checkbox"/> \$500,000 to \$600,000   | <input type="checkbox"/> \$1,200,001 to \$1,500,000 | <input type="checkbox"/> \$9,000,001 to \$12,000,000  |
| <input type="checkbox"/> \$600,001 to \$700,000   | <input type="checkbox"/> \$1,500,001 to \$2,000,000 | <input type="checkbox"/> \$12,000,001 to \$15,000,000 |
| <input type="checkbox"/> \$700,001 to \$800,000   | <input type="checkbox"/> \$2,000,001 to \$3,000,000 | <input type="checkbox"/> More than \$15,000,000       |
| <input type="checkbox"/> \$800,001 to \$900,000   | <input type="checkbox"/> \$3,000,001 to \$4,000,000 |   |
| <input type="checkbox"/> \$900,001 to \$1,000,000 | <input type="checkbox"/> \$4,000,001 to \$6,000,000 |   |

5. Compared to 2010, your earnings are –

- substantially higher  higher  same  lower  substantially lower  not applicable

6. The main reason for the above difference is (optional) \_\_\_\_\_

7. If you are an employee, please indicate whether you have received any long-term incentives (e.g. equity shares) in the financial year ending on 31 March 2015:  Yes  No.

If yes, please specify the types and advise the approximate amount, if possible:

Types: \_\_\_\_\_ Approx. value: \$ \_\_\_\_\_

8. Are you interested in serving as Magistrate/Judge? And why? (You may choose more than one)

- |                              |  |                                   |                             |  |                                   |
|------------------------------|--|-----------------------------------|-----------------------------|--|-----------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> Pay                   | <input type="checkbox"/> Benefits | <input type="checkbox"/> No | <input type="checkbox"/> Pay           | <input type="checkbox"/> Benefits |
|                              | <input type="checkbox"/> Career choice         |                                   |                             | <input type="checkbox"/> Career choice |                                   |
|                              | <input type="checkbox"/> Serving the community |                                   |                             | <input type="checkbox"/> Other: _____  |                                   |
|                              | <input type="checkbox"/> Other: _____          |                                   |                             |  |                                   |

**END OF QUESTIONNAIRE.** Thank you for completing the questionnaire. Please return the completed questionnaire to Hay Group by 20 November 2015 by post with the enclosed stamped return envelope, fax to 2866 1111 or email to [hk2015study@haygroup.com](mailto:hk2015study@haygroup.com).

<sup>NOTE</sup> – For purposes of this survey, earnings are your income from the practice of law after deduction of all expenses directly related to your practice, before taxes.  
 – If you are a partner or sole proprietor, earnings include your share of income of the firm after deduction of all expenses but before taxes. Earnings include any drawings you may take from the firm, any allowances paid to you, contributions made to a retirement scheme on your behalf, and any amounts attributable to you that are retained in the firm (if applicable).  
 – If you are an employee of a law firm, your earnings are the salary, fixed and variable bonuses, and allowances paid by your employer, including your employer’s contributions to a retirement scheme, before taxes.  
 Please tick “✓” as appropriate.



**2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**  
**Survey of the Earnings of Legal Practitioners in Public Bodies/Major Corporations**

Thank you for participating in this important survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. The information collected will be kept in the strictest confidence at all times and under safe custody until such time they are destroyed.

Please tick "✓" as appropriate.

For enquiries on this questionnaire, please contact Hay Group consultants at 2864 2253.

1. Please indicate –
  - (a) how many legal professionals are employed by your company? \_\_\_\_\_
  - (b) how many of them have at least 5 years of private practice before in-house practice? \_\_\_\_\_
2. What principal legal work is the legal unit of your company involved in (please check one or more)?
 

<input type="checkbox"/> Research	<input type="checkbox"/> Compliance	<input type="checkbox"/> Investigation	<input type="checkbox"/> Enforcement
<input type="checkbox"/> Litigation	<input type="checkbox"/> Advisory	<input type="checkbox"/> Managing legal contracts	<input type="checkbox"/> Commercial/transaction work
<input type="checkbox"/> Others _____			
3. Please complete the following for each of the legal professionals in your company with at least 5 years of private practice before in-house practice.

◇ Job title: _____			
◇ Professional status: <input type="checkbox"/> Barrister <input type="checkbox"/> Solicitor			
<u>Years of legal experience</u> (as at 31 March 2015)	<u>Age</u>	<u>*Remuneration between 1 April 2014 and 31 March 2015</u>	<u>Any Long-term incentives?</u>
<div style="border: 1px solid black; width: 100px; height: 30px; margin: 0 auto;"></div> year(s)	<input type="checkbox"/> Below 30 <input type="checkbox"/> 30 to 34 <input type="checkbox"/> 35 to 39 <input type="checkbox"/> 40 to 44 <input type="checkbox"/> 45 to 49 <input type="checkbox"/> 50 or above	<input type="checkbox"/> Less than \$500,000 <input type="checkbox"/> \$1,500,001 to \$2,000,000 <input type="checkbox"/> \$500,000 to \$600,000 <input type="checkbox"/> \$2,000,001 to \$3,000,000 <input type="checkbox"/> \$600,001 to \$700,000 <input type="checkbox"/> \$3,000,001 to \$4,000,000 <input type="checkbox"/> \$700,001 to \$800,000 <input type="checkbox"/> \$4,000,001 to \$6,000,000 <input type="checkbox"/> \$800,001 to \$900,000 <input type="checkbox"/> \$6,000,001 to \$9,000,000 <input type="checkbox"/> \$900,001 to \$1,000,000 <input type="checkbox"/> \$9,000,001 to \$12,000,000 <input type="checkbox"/> \$1,000,001 to \$1,200,000 <input type="checkbox"/> \$12,000,001 to \$15,000,000 <input type="checkbox"/> \$1,200,001 to \$1,500,000 <input type="checkbox"/> More than \$15,000,000	<input type="checkbox"/> Yes <input type="checkbox"/> No

◇ Job title: _____			
◇ Professional status: <input type="checkbox"/> Barrister <input type="checkbox"/> Solicitor			
<u>Years of legal experience</u> (as at 31 March 2015)	<u>Age</u>	<u>*Remuneration between 1 April 2014 and 31 March 2015</u>	<u>Any Long-term incentives?</u>
<div style="border: 1px solid black; width: 100px; height: 30px; margin: 0 auto;"></div> year(s)	<input type="checkbox"/> Below 30 <input type="checkbox"/> 30 to 34 <input type="checkbox"/> 35 to 39 <input type="checkbox"/> 40 to 44 <input type="checkbox"/> 45 to 49 <input type="checkbox"/> 50 or above	<input type="checkbox"/> Less than \$500,000 <input type="checkbox"/> \$1,500,001 to \$2,000,000 <input type="checkbox"/> \$500,000 to \$600,000 <input type="checkbox"/> \$2,000,001 to \$3,000,000 <input type="checkbox"/> \$600,001 to \$700,000 <input type="checkbox"/> \$3,000,001 to \$4,000,000 <input type="checkbox"/> \$700,001 to \$800,000 <input type="checkbox"/> \$4,000,001 to \$6,000,000 <input type="checkbox"/> \$800,001 to \$900,000 <input type="checkbox"/> \$6,000,001 to \$9,000,000 <input type="checkbox"/> \$900,001 to \$1,000,000 <input type="checkbox"/> \$9,000,001 to \$12,000,000 <input type="checkbox"/> \$1,000,001 to \$1,200,000 <input type="checkbox"/> \$12,000,001 to \$15,000,000 <input type="checkbox"/> \$1,200,001 to \$1,500,000 <input type="checkbox"/> More than \$15,000,000	<input type="checkbox"/> Yes <input type="checkbox"/> No

4. For long-term incentives (e.g. equity shares) granted to any of the employees above in the financial year ending on 31 March 2015, please specify the types and advise the average value, if possible -  
Types: \_\_\_\_\_ Average value: \$ \_\_\_\_\_

**END OF QUESTIONNAIRE. Thank you for completing the questionnaire. Please return the completed questionnaire to Hay Group by 20 November 2015 by post with the enclosed stamped return envelope, fax to 2866 1111 or email to [hk2015study@haygroup.com](mailto:hk2015study@haygroup.com); or return to the consultant directly.**

\* Remuneration includes salary, fixed and variable bonuses, and any allowances paid to the employees, including your company's contributions to a retirement scheme.

## 2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong *Interview Guide*

### **Introduction**

- Purpose of the interview
- Outline of topics to be covered
- Confidentiality

### **Topic 1: Earnings of Barristers/Solicitors**

- How are current earnings received – from practice net profit, salaries, bonuses, allowances, long-term incentives, leave entitlement, medical and life insurance benefit, retirement benefit etc.?
- How different is the current earnings compared to 2010 – same, higher, much higher, lower or much lower? What is the main reason for the significant difference, if any?

### **Topic 2: Attractiveness of Joining the Judiciary**

- What characteristics do you think are important for judicial roles? What are the differences between serving as a judge and practising law?
- What are the attractions and motivating factors about serving as a judge? What are unattractive and disadvantageous? How important are the provision of housing and pensions to the attractiveness of the judges' remuneration package?
- Are you interested in serving as Magistrate/Judge, in particular at the level of Court of First Instance of the High Court (CFI)? Any condition you would place on to serve as one? How much of a reduction in remuneration would you be willing to accept a full-time appointment on the Bench?
- Would you consider joining the Bench on an ad-hoc basis, e.g. as Recorder/external deputies?

### **Topic 3: Remuneration of Magistrate/Judge**

- In your understanding, how does the remuneration of a judge, when compared to those of barrister/solicitor with the same qualification, experience and characteristics?
- Is remuneration an important factor to attract legal practitioners to serve as Magistrate/Judge?
- In your understanding, are your current earnings comparable to the remuneration of a Magistrate/Judge?
- What is your view about remuneration for Magistrates/Judges in general and CFI Judges in particular? Should it be higher than the legal practice? If yes, how much higher would be appropriate?

### **Topic 4: Higher Rights of Audience to Solicitors (*for solicitors only*)**

- Do you plan to/are you interested in applying for higher rights of audience before the High Court and the Court of Final Appeal? And why? Will you consider joining the Bench after some years you have granted such rights?



## Letter to Barristers

Rooms 607 – 10,  
6/F, Tai Yau Building,  
181 Johnston Road,  
Wanchai, Hong Kong

Tel: (852) 2527 9797  
Fax: (852) 2866 1111  
www.haygroup.com

26 October, 2015

Dear Sir/ Madam,

### **2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**

Hay Group has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is an important study and is supported by the Hong Kong Bar Association and the Law Society of Hong Kong. A letter from Mr Bernard Chan, the Chairman of the Judicial Committee, and a letter from the Chairman of the Hong Kong Bar Association are attached, explaining the importance of the survey and appealing to your support to the survey.

We would appreciate if you would complete the enclosed simple questionnaire and return the questionnaire to us by **20 November 2015** by –

- post with the return envelope;
- fax (2866 1111);
- email (hk2015study@haygroup.com); **or**
- via the online platform

([https://www.surveymonkey.com/r/2015\\_Benchmark\\_Study\\_of\\_the\\_Earnings\\_of\\_Barristers](https://www.surveymonkey.com/r/2015_Benchmark_Study_of_the_Earnings_of_Barristers))

You are requested to submit the questionnaire **once only**.

The survey is conducted on an anonymous basis. The data collected will be kept in **the strictest confidence at all times** and under safe custody by Hay Group. The data will be used solely for the purpose of this survey and for Hay Group's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form. Hay Group will not report results in anyway that would permit identification of any participants. Individual data will not be disclosed to any third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Grace Fong (Grace.Fong@haygroup.com) or Gloria Wong (Gloria.Wong@haygroup.com) by email or call our hotline at **2864 2253**.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,



David Leung  
Director  
Hay Group Hong Kong



## Letter to Solicitors

Rooms 607 – 10,  
6/F, Tai Yau Building,  
181 Johnston Road,  
Wanchai, Hong Kong

Tel: (852) 2527 9797  
Fax: (852) 2866 1111  
www.haygroup.com

26 October, 2015

Dear Sir/ Madam,

### **2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**

Hay Group has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is an important study and is supported by the Law Society of Hong Kong and the Hong Kong Bar Association. A letter from Mr Bernard Chan, the Chairman of the Judicial Committee is attached, explaining the importance of the survey and appealing for your support to the study.

We would appreciate if you would complete the enclosed simple questionnaire and return the questionnaire to us by **20 November 2015** by –

- post with the return envelope;
- fax (2866 1111);
- email (hk2015study@haygroup.com); **or**
- via the online platform  
([https://www.surveymonkey.com/r/2015\\_Benchmark\\_Study\\_of\\_the\\_Earnings\\_of\\_Solicitors](https://www.surveymonkey.com/r/2015_Benchmark_Study_of_the_Earnings_of_Solicitors))

You are requested to submit the questionnaire **once only**.

The survey is conducted on an anonymous basis. The data collected will be kept in **the strictest confidence at all times** and under safe custody by Hay Group. The data will be used solely for the purpose of this survey and for Hay Group's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form. Hay Group will not report results in anyway that would permit identification of any participants. Individual data will not be disclosed to any third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Grace Fong (Grace.Fong@haygroup.com) or Gloria Wong (Gloria.Wong@haygroup.com) by email or call our hotline at **2864 2253**.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,



David Leung  
Director  
Hay Group Hong Kong

**HayGroup**

## Letter to Law Firms

Rooms 607 – 10,  
6/F, Tai Yau Building,  
181 Johnston Road,  
Wanchai, Hong Kong

Tel: (852) 2527 9797  
Fax: (852) 2866 1111  
www.haygroup.com

26 October 2015

Dear Sir/ Madam,

### **2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**

Hay Group has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is an important study and is supported by the Law Society of Hong Kong and the Hong Kong Bar Association.

We would appreciate if you would distribute a data collection package with the following to the practicing solicitors in your firm and encourage them to fill in the questionnaire –

- an appeal letter from Mr Bernard Chan, the Chairman of the Judicial Committee;
- a questionnaire; and
- a return envelope.

The survey is conducted on an anonymous basis. The data collected will be kept in **the strictest confidence at all times** and under safe custody by Hay Group. The data will be used solely for the purpose of this survey and for Hay Group's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form. Hay Group will not report results in anyway that would permit identification of any participants. Individual data will not be disclosed to any third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Grace Fong (Grace.Fong@haygroup.com) or Gloria Wong (Gloria.Wong@haygroup.com) by email or call our hotline at **2864 2253**.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,



David Leung  
Director  
Hay Group Hong Kong



## Letter to Public Bodies/Major Corporations

Rooms 607 – 10,  
6/F, Tai Yau Building,  
181 Johnston Road,  
Wanchai, Hong Kong

Tel: (852) 2527 9797  
Fax: (852) 2866 1111  
www.haygroup.com

26 October 2015

Dear Sir/ Madam,

### **2015 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong**

Hay Group has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is an important study and is supported by the Law Society of Hong Kong and the Hong Kong Bar Association. A letter from Mr Bernard Chan, the Chairman of the Judicial Committee, is attached, explaining the importance of the survey and appealing for your organization's support to the study.

We would appreciate if you would participate in this study by completing the enclosed simple questionnaire for the legal practitioners serving as in-house lawyers in your organization who possess 5 years or more post-qualification experience in private practice as solicitors or barristers by **20 November 2015**.

The Law Society of Hong Kong and the Hong Kong Bar Association have separately appealed for their members' support to this study. If the in-house lawyer has responded individually, you are kindly requested not to provide information concerning this in-house lawyer.

The survey is conducted on an anonymous basis. The data collected will be kept in **the strictest confidence at all times** and under safe custody by Hay Group. The data will be used solely for the purpose of this survey and for Hay Group's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form so as to preserve the anonymity of the participating organizations. Hay Group will not report results in anyway that would permit identification of a participating company's practices. Individual company data will not be disclosed to third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Grace Fong (Grace.Fong@haygroup.com) or Gloria Wong (Gloria.Wong@haygroup.com) by email or call our hotline at **2864 2253**. We would appreciate your confirmation of participation by **6 November 2015**.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,



David Leung  
Director  
Hay Group Hong Kong