

Changes in administrative arrangements

I. Administration and disbursement of cash allowance

Cash allowance is offered to contract staff in lieu of civil service benefits on housing, passage and children's education allowance, and to compensate for a reduction in the leave entitlements. While the need to retain or revise the cash allowance are matters for review under the proposed consultancy study, we are concerned with the principle in the payment of cash allowance.

2. In the civil service, an officer's eligibility for housing, education and passage benefits will become null and void if he is enjoying benefits of the *same* nature under his spouse's terms of employment. However, under the existing arrangement, an HA contract staff will cease to receive the entire amount of the monthly cash allowance even if his spouse is receiving one or more kinds of housing, education and passage benefits under the employment of the Government or a public-funded organization. We are concerned that the present arrangement does not appear to fall in line with the spirit of the "double-benefits rules", which is to prevent a married officer and his spouse from receiving the *same* benefits at any one time. To uphold the principle of fairness and to support a similar view expressed in the Internal Audit Section's Report on Payroll System, we recommend dividing the cash allowance into separate components, payment of each of which is subject to the "double-benefits rules" on its own.

II. Leave administration

(A) Carry-forward of leave

3. Under the current terms, HA contract staff must exhaust their leave earned within the duration of the same contract. Notwithstanding this provision, it is common for contract staff to apply to carry forward their leave, either on operational grounds or for personal reasons. No guidelines have however been drawn up to facilitate approving officers to consider such applications. As the number of applications for carry-forward of leave is likely to increase with the growing number of contract staff employed, and in order to allow greater flexibility in staff deployment to cope with contingent operational requirements, we propose establishing the following conditions for approving such applications -

- (a) applications should only be approved when the staff cannot be released on operational grounds;

- (b) the validity period for carry-forward of leave is limited to the first year of the ensuing contract, after which the untaken leave will be forfeited automatically; and
- (c) the maximum number of leave days to be carried forward is capped at one year's leave entitlement of the staff concerned.

(B) Advance of leave

4. At present, there is no provision for HA contract staff to advance their vacation leave. We reckon that provisions for advance of leave can serve both the needs of the staff as well as the Department – it enables staff to meet their urgent or unforeseen needs and facilitates leave planning by allowing greater flexibility to cope with the operational needs of the office. We therefore recommend that contract staff should be allowed to apply for advance of vacation leave up to a maximum of 12 days, or the remaining balance of the unearned leave for the remainder of the contract, whichever is the less, subject to their signing an undertaking stating that any vacation leave taken in advance will be debited against their future leave earnings and that they will be required to refund to HA the related salary and allowances if they leave HA before completion of contract and there is insufficient leave to cover the advanced leave.