

CONTROLLING OFFICER'S REPLY

(Question Serial No. S006)

Head: (46) General Expenses of the Civil Service

Subhead (No. & title): (040) Non-accountable cash allowance

Programme: General Expenses of the Civil Service

Controlling Officer: Director of Accounting Services (Susanna CHEUNG)

Director of Bureau: Secretary for the Civil Service

Question:

Regarding the "040 Non-accountable cash allowance" in the table of the reply, what are its eligibility criteria and specific uses? Please provide supplementary information on the actual expenditures of the allowance in the 3 years from 2019-20 to 2021-22, and the actual number of applicants in the 4 years from 2019-20 to 2022-23.

The estimated expenditure of the allowance for 2023-24 amounts to \$3.488 billion, which is 23.3% higher than the revised estimate for 2022-23. What are the specific reasons for it? What mechanism has been put in place by the Government to monitor the application for and use of the allowance so as to ensure the proper use of public money from taxpayers?

Asked by: Hon TSE Wai-chuen, Tony

Reply:

Non-accountable Cash Allowance (NCA) is a type of civil service housing benefit applicable to officers who were offered appointment on new terms on or after 1 June 2000. For officers –

- (a) on or above Master Pay Scale (MPS) Point 34 (or equivalent), they are eligible for the allowance as a condition of service; or
- (b) below MPS Point 34 (or equivalent), they are eligible for the allowance subject to the same quota system under the Home Purchase Scheme upon meeting the specified service requirements i.e. officers with salary between MPS Point 22 and 33 (or equivalent) meeting the three-year continuous service requirement and officers below MPS Point 22 (or equivalent) with 20 years' continuous service.

Officers who were offered appointment before 1 June 2000 and eligible for the Accommodation Allowance may opt to switch to receive this allowance subject to the specified conditions.

Eligible officers who join the NCA Scheme will receive a monthly allowance at specified rates appropriate to their salary points for a maximum entitlement period of 120 months. The NCA was designed with reference to the practice in the private sector, the non-accountable arrangement of which provides claimants with greater flexibility to use the allowance. All applications for this allowance are required to be verified on their eligibility and submitted by applicants' departments to the approving authority for processing and arranging payment.

Details of the expenditure and the number of recipients of the allowance from 2019-20 to 2022-23 are as follows -

Year	No. of recipients	Expenditure (\$'000)
2019-20	7 861	1,687,336
2020-21	9 192	2,019,856
2021-22	10 720	2,377,991
2022-23 (Revised Estimate)	12 500	2,829,000

As the NCA is applicable to officers offered appointment on or after 1 June 2000, the number of eligible officers for this allowance will gradually increase in the long run. The estimated expenditure for 2023-24 is higher than the 2022-23 revised estimate mainly due to the anticipated increase in the number of recipients in 2023-24 through salary progression, promotion and new appointment.

- End -