社會福利署
Social Welfare Department

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Subventions Branch
38/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai, Hong Kong

15 July 2026

Chairpersons of non-governmental organisations
operating subvented welfare services

Dear Sir / Madam,

Adjustment of Subvention
arising from the 2026-27 Civil Service Pay Adjustment

I would like to inform you of the arrangements of subvention adjustment arising from the 2026-27 Civil Service Pay Adjustment (CSPA).

2026-27 CSPA

2. With the approval of the Finance Committee of the Legislative Council on 26 June 2026 to implement the 2026-27 CSPA, there will be an increase of 2% in the dollar value of the pay points across the board for 2026-27 in the upper salary band (i.e. monthly salary above Master Pay Scale (MPS) 33 or equivalent), the middle and lower salary bands (i.e. monthly salary at or below MPS 33 or equivalent) and the directorate of the civil service pay scales, with retrospective effect from 1 April 2026. Corresponding adjustments will be made to the subvention for non-governmental organisations (NGOs) to reflect such increase. The updated "Salary Scale of Common Posts in the Non-governmental Organisation" is available on the Social Welfare Department (SWD)'s website at –

https://www.swd.gov.hk/storage/asset/section/586/tc/Salary_Scale_of_Common_Posts.pdf

Adjustment of Subvention

3. The SWD will adjust the amount of subvention for NGOs under the Lump Sum Grant (LSG) Subvention System and the conventional modes of subvention arising from the 2026-27 CSPA in line with the established practice. A reference note for calculating the subvention adjustments is at Annex. The back payment of the additional allocations will be released in August 2026. Individual NGOs will be notified of their respective additional allocation and the subvention payment arrangement in due course. Since the additional subvention from the Government is meant to allow room for pay adjustment for staff providing subvented services, upon receipt of the additional allocations, please arrange for disbursement of the adjusted salaries and the back payment to your staff as soon as possible. Besides, you are strongly advised to adjust the salaries of staff providing subvented services with retrospective effect from 1 April 2026, and to provide back payment of the salary adjustment for staff who were in post as early as 1 April 2026.

Review of Staff Remuneration Packages

4. While NGOs are required to deploy the additional subvention for salary adjustment arising from CSPA for the designated purpose by making timely adjustment to the salary of all staff members providing subvented services, they should either –

(a) adjust the staff salary with reference to the level of the CSPA; or

(b) deploy the full amount of the additional allocation on salary adjustment for staff.

5. Within the framework of the LSG Subvention System as well as the flexibility and autonomy accorded, NGOs are encouraged to review the staff remuneration packages with reference to the CSPA to attract and retain talent. Please be reminded that NGOs should also, in accordance with the LSG Subvention Manual, develop and put in place clear and transparent human resources policies (including staff remuneration packages), and inform all staff members providing subvented services about the salary adjustment arrangements for the financial year with reasons for such decision.

6. For enquiries, please contact the Liaison Officer of the Subventions Branch designated for your organisation.

Yours sincerely,

(Ms LEE Wai-yee)
for Director of Social Welfare

c.c. Heads of NGOs

Annex

Reference Note for Calculating Adjustments to Subvention arising from the 2026-27 Civil Service Pay Adjustment (CSPA)

(I) Allocation with Personal Emoluments (PE) portions to be adjusted with reference to CSPA

(1) Lump Sum Grant (LSG) (including subvention allocated to new units)
(2) Conventional modes of subvention, including:
(a) Modified Standard Cost System;
(b) Model System; and
(c) LSG Mode.

(II) Allocation NOT to be adjusted with reference to CSPA

(1) Central Items (e.g. Infirmary Care Supplement for the Aged Blind Persons)
(2) Subsidy Schemes (e.g. Child Care Centre Subsidy Scheme)
(3) Contract Services (e.g. Enhanced Bought Place Scheme for private residential care homes for the elderly, Bought Place Scheme for private residential care homes for persons with disabilities, Contract Homes)
(4) Other special payments

(III) Special Arrangement for Certain Central Items

For the two Central Items listed below, NGOs are allowed to use the surplus from the allocations of Central Item of the year to pay for salary adjustment of the staff funded under these Central Items until their exhaustion. After that, the NGOs concerned may make use of the LSG Reserve, if any, to pay for the same purpose on the strict understanding that additional subvention will not be provided by the Social Welfare Department (SWD) –

(a) Infirmary Care Supplement for the Aged Blind Persons; and
(b) Infirmary Care Supplement for Residential Elderly Services.

(IV) General principles for upward adjustments to welfare subvention allocation with PE portions with reference to CSPA

The PE portion (i.e. salaries, PE allowances and Provident Fund (PF) contribution) in the subvention allocation for 2026-27 is the baseline for calculation. In general, the methodology and calculation basis adopted in the last exercise for the 2024-25 CSPA will continue to apply, as summarised below:

(1) The adjustments to subvention allocation made to LSG NGOs (commenced before 1 April 2000) for 2026-27 will be calculated with reference to the weighted average rate of pay adjustments for the

different pay bands of staff calculated for each NGO based on its snapshot staffing structure;

(2) For NGOs/services on modified standard cost system/model system under conventional modes of subvention, the adjustments to subvention allocation will be calculated according to 2026-27 CSPA based on establishment; and

(3) For the following NGOs/services, the standard rate of 2% for the middle/lower bands is adopted for adjustment of the PE portion of the subvention allocation –
- LSG NGOs which started receiving the SWD's subvention after 1 April 2000, and
- other subvented services of NGOs operating under conventional modes of subvention [Note 1].

(V) Calculation Formulae

(1) For LSG NGOs

			Increase ($)
(a) Total of Salaries, PE Allowances and PF contributions of non-Snapshot Staff Posts included in the LSG for 2026-27 × applicable adjustment rate			X
(b) PF entitlement of Existing (Snapshot) Staff for 2026-27 according to the revised pay scales relevant to them	Y1		
Less: Original PF subvention of Existing (Snapshot) Staff included in LSG for 2026-27	Y2		
Y1 - Y2		=	Y
Total amount of adjustment (X + Y)		=	Z

(2) For subvention allocation other than LSG NGOs

		Increase ($)
PE subvention for 2026-27 according to the formula as stated in Part (IV) above		A
Less: Original PE subvention for 2026-27		B
Total amount of adjustment (A - B)	=	C

Note 1:
For certain subvented services delivered by NGOs operating under conventional modes of subvention, additional subvention will be provided according to each NGO's requirement in response to the SWD's email to individual NGOs for the supplementary provisions to cover the cost of pay adjustment for staff, subject to the 2% cap on the PE portion.