

## **Education and Manpower Bureau Circular Memorandum No. 108/2006**

From : Secretary for Education and Manpower	To : Supervisors/Heads of all aided primary schools, special schools with a primary section
Ref. : EMB(CD)SD/PNET/1/8	
Date : 12 June 2006	c.c. : Supervisors/Heads of all private primary schools/DSS schools, Heads of Sections/Government primary schools

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### **Native-speaking English Teacher (NET) Scheme in Primary Schools**

#### **Payment of Gratuity and Payment of Tax before Leaving Hong Kong**

#### **SUMMARY**

This circular memorandum informs schools and Native-speaking English Teachers (NETs) of the following: -

- (a) The procedures for the payment of gratuity to NETs upon their satisfactory completion of the contract; and
- (b) The procedures for the payment of tax before NETs leave Hong Kong at the end of the contract.
- (c) This circular memorandum supersedes Education and Manpower Bureau Circular Memorandum No. 141/2004 dated 4 June 2004 on the same subject.

#### **DETAILS**

##### **Payment of Contract Gratuity**

2. Upon satisfactory completion of the full period of service required by the Letter of Appointment, or if the NET's service is terminated by the School for reasons other than unsatisfactory performance or conduct of the NET, the NET will be paid a gratuity for the period of service completed, including school holidays taken within the period of service. Specifically, the gratuity will be granted only if both the Base School and the Partner School are satisfied with the NET's performance and conduct during the period of service.

3. The end-of-contract gratuity should normally be paid in two instalments:
- (a) An interim gratuity covering the completed period of resident service is payable to the teacher not earlier than four clear working days before the commencement of the summer vacation of the Base School at the end of the contract.
  - (b) The residual contract gratuity relating to the period of summer vacation at the end of the contract is payable not earlier than four clear working days before the expiry of the contract.

4. Supervisors of Base Schools should consult their partner schools if their NETs' performance and conduct during the period of service has been satisfactory before completing the attached application form for arranging payment of gratuity. Completed forms should reach the Finance Division of the Education and Manpower Bureau, via the respective Senior School Development Officer, at least 4 weeks before the expected date of payment.

#### **Payment of Tax before Leaving Hong Kong**

5. The procedures to be followed by the schools and the NETs for payment of tax before leaving Hong Kong are detailed at the appendix.

#### **ENQUIRY**

6. For further enquiries about the gratuity, please contact your Senior School Development Officer. With respect to the payment of tax, schools and the NETs should contact the respective Inland Revenue Department assessors on the telephone number shown on the Employer's Return and the Tax Return-Individual.

Raymond SY  
for Secretary for Education and Manpower

**Teachers Employed under  
the Native-speaking English teacher (NET) Scheme in Primary Schools**

**Procedures for Payment of Tax before Leaving Hong Kong**

**Section 52(6) of the Inland Revenue Ordinance stipulates that ‘the employer of any individual who is chargeable to tax under Part III (Salaries Tax) and is about to leave Hong Kong for any period exceeding 1 month shall give notice in writing to the Commissioner of the expected date of departure of such individual. Such notice shall be given not later than 1 month before the expected date of departure.’**

Procedure for an Employer (i.e. the school)

1. The school should:
  - (a) notify the Commissioner of Inland Revenue by means of an I.R. 56G form [obtainable from the Inland Revenue Department (IRD)] not later than one month before the expected date of departure of the teacher and supply the emolument including salaries and gratuity paid or to be paid to the teacher from 1 April to date of cessation of employment; and
  - (b) withhold the money to be paid to the teacher for a period of one month from the date of such notice or until receiving a Letter of Release from IRD, whichever is earlier.

Procedure for an Employee (i.e. the teacher)

2. The procedures for the teacher are as follows:
  - (a) The teacher should inform IRD either in writing or by phone of his/her expected date of departure. Such notice shall be given not later than one month before the expected date of departure.
  - (b) Upon receiving the notice, IRD will issue a Tax Return-Individual (“the Return”) for the relevant year to the teacher for completion. The teacher should complete and return it to IRD as soon as possible. If the final amount of emoluments is not available at the time of completing the Return, the teacher should estimate his/her income up to the date of cessation of employment to the best of his/her knowledge.
  - (c) Upon receiving the Return, IRD will issue the Notice of Assessment and Demand for Tax to the teacher as soon as possible. In the absence of a completed return, IRD will raise an estimated assessment under Section 59(3) of Inland Revenue Ordinance.

- (d) Upon receiving the Notice of Assessment and Demand for Tax, the teacher should make payment to IRD on or before the due date which is normally set at a date before the date of departure of the teacher.
- (e) After receiving the payment, IRD will issue a Letter of Release to the school with copy to the teacher.
- (f) Upon receiving the Letter of Release, the school can then release the money withheld to the teacher.

**3. As the time schedule to complete the entire process is tight and to expedite tax clearance before departure, it is advisable for the teacher to pay a personal visit to IRD (Address: Revenue Tower, 5 Gloucester Road, Wanchai, Hong Kong) bringing with him/her the documents relevant to the preparation of the Tax Return (e.g. salary statement, appointment contract, etc) and settle any tax which is required to be paid well in advance of his/her departure.**

Enquiry Telephone Number

4. The schools and the teachers may contact the respective IRD assessors on the telephone number shown on the Employer's Return and the Tax Return-Individual.

**Application for the Payment of Gratuity for****Native-speaking English Teacher (NET) in Aided Primary School (including primary special schools and special schools with primary section)**

School Name (Base School) : \_\_\_\_\_

School Code :  Tel. No : \_\_\_\_\_ Fax No : \_\_\_\_\_**To : Secretary for Education and Manpower (Attn. : Funds Section, Finance Division)**

Note : The data collected below is used for payment of Contract Gratuity to the Native-speaking English Teacher (NET). The provision of information is obligatory. The information collected may be disclosed to other government departments/agencies authorized to process personal data for audit and statistical purposes. Request for personal data access and correction should be addressed to the Accounting Officer, whose address is Room 1517, 15th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

**Section I (to be completed by Base School Supervisor)**

(a) I certify that the following Native-speaking English Teacher (NET) is entitled to a Contract Gratuity.

1. Name : \_\_\_\_\_

2. HK Identity Card No. :  (  ) 3. Staff Ref. No. : 4. Contract : \_\_\_\_\_ Date of Commencement of \_\_\_\_\_ Date of Completion of \_\_\_\_\_  
Day Month Year Day Month Year

6. Period(s) of no-pay leave during the contract : \_\_\_\_\_

7. Total basic salary received and amount of Contract Gratuity entitled :

Contract Period	(a)	(b)	(c)	(d)	(e)
	Total basic salary received	Percentage of basic salary	Amount of Contract Gratuity entitled (c) = (a)x(b)	Amount of employer's contribution to the MPF Scheme for the NET	Amount of Gratuity payable to the NET (e) = (c) - (d)
From To	(\$)	(%)	(\$)	(\$)	(\$)
/ / / /		15%			

8. Payment (see note (1) below) :

	Proposed Date	Amount of Gratuity
First payment	/ /	\$
Second payment	/ /	\$

(b) I certify that the above information is correct.

(c) I undertake to inform the Funds Section of the Education and Manpower Bureau via Senior School Development Officer as soon as possible if there is any change in the above information provided and to repay the Government for any overpayment of Contract Gratuity to the staff concerned.

Signature of  
Supervisor : \_\_\_\_\_  
Name: ( )  
Date:

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**Note:**

- (1) The first payment of gratuity covering the completed period of resident service is payable to the NET not earlier than 4 clear working days before the commencement of the summer vacation at the end of the contract. The second payment relating to the period of summer vacation at the end of the contract should be made not earlier than 4 clear working days before the expiry of the contract.
- (2) The completed application form should reach the Funds Section, via the SSDO, at least 4 weeks before the expected date of the first payment.

**Section II (to be completed by SSDO)**\* put a [✓] in the appropriate 

For paras. 1 to 6 of Section I, I confirm that

 they are correct. they are correct **except** para(s). \_\_\_\_\_ which has/have been amended and initialled by me.Signature of  
SSDO( ) : \_\_\_\_\_  
Name : ( )  
Date :**Section III (to be completed by Finance Division)**

Received on	Payment Voucher No.	Amount	Payment Date	Prepared by	Date	Checked by	Date
		\$	/ /				
		\$	/ /				