

## Education Bureau Circular Memorandum No. 88/2010

From : Secretary for Education

To : Supervisors/Heads of all aided primary schools, primary special schools and special schools with a primary section

Ref. : EDB(NETADM)/PNET/1/8

Date : 11 June 2010

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 Scheme in Primary Schools

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

#### SUMMARY

This circular memorandum informs schools and Native-speaking English Teachers (NETs) of the procedures for (a) the payment of gratuity to NETs upon their satisfactory completion of the contract; and (b) the payment of tax before NETs leave Hong Kong at the end of the contract. This circular memorandum supersedes Education Bureau Circular Memorandum No. 80/2009 dated 17 June 2009 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, the NET may be paid a gratuity for the period of service completed, including school holidays taken within the period of service. Specifically, the payment of gratuity is subject to the confirmation of the School Management Committee (SMC) / Incorporated Management Committee (IMC) that the performance and conduct of the NET during the period of service are satisfactory<sup>1</sup>.

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 normally payable to the NET not earlier than four clear working days before the commencement of the summer vacation prior to the expiry of the contract.

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<sup>1</sup> If the NET is serving two sessions of a bi-sessional school, the payment of gratuity is subject to the confirmation of the SMC / IMC that the performance and conduct of the NET during the period of service in both sessions are satisfactory.

- (b) The balance for the period of the summer vacation immediately prior to the expiry of the Contract will be paid not earlier than 4 clear working days before the expiry of the Contract.

4. For the special conditions which affect the payment of gratuity, please refer to the relevant Section on Gratuity and Retention Incentive under the “Memorandum on the Terms and Conditions of Service for Appointment as Teachers under the Native-speaking English Teacher (NET) Scheme in Primary Schools” attached to Education Bureau Circular Memorandum No. 80/2010 entitled “Native-speaking English Teacher (NET) Scheme in Primary Schools --- Letter of Appointment”.

5. Supervisors of aided primary schools/primary special schools/special schools with a primary section concerned should complete the attached application form for arranging payment of gratuity. Completed forms should reach the Finance Division of the Education 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**

6. The gratuity is taxable. 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.’

7. For further information about the procedures for payment of tax before leaving Hong Kong to be followed by the schools (i.e. the employers) and the NETs (i.e. the employees) who are about to leave Hong Kong, the schools and the NETs are advised to visit the Inland Revenue Department Homepage at <http://www.info.gov.hk/ird> (Tax Information - Individuals/Businesses → Individuals → What you need to do: About to leave Hong Kong).

### **ENQUIRY**

8. For further enquiries about contract gratuity, please contact the Senior School Development Officer of the respective District School Development Section. 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.

Sheridan LEE  
for Secretary for Education

**Application for the Payment of Contract Gratuity for  
Teachers under the Native-speaking English Teacher (NET) Scheme in Primary Schools**

Name of School / Base School\*\*) : \_\_\_\_\_

School Code : 

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Tel. No : \_\_\_\_\_

Fax No : \_\_\_\_\_

**To : Secretary for Education (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 Supervisor of School / Base School\*\*)**

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

1. Name : \_\_\_\_\_
2. HK Identity Card No. : 

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3. Staff Ref. No. : 

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4. Date of Commencement of Contract : 

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Day Month Year
5. Date of Completion of Contract : 

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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 Bureau via the 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
		\$	/ /				
		\$	/ /				

\*\* delete where inapplicable