

24 February 2006

Education Bureau Circular No. 2/2006
(Formerly referred as EMB Circular No. 2 /2006)

**A New Retention Incentive and the Revised Special Allowance Rate
for Native-speaking English Teacher (NET) under the NET Schemes
in Secondary and Primary Schools**

[Note: This circular should be read by -

- (a) Supervisors/Heads of all aided secondary and primary schools, caput schools, special schools – for necessary action
- (b) Supervisors/Heads of all private secondary and primary schools/DSS schools, Heads of Sections/Government secondary and primary schools – for information and reference.]

SUMMARY

This circular is to announce the revised Special Allowance rate for eligible NETs who have been serving in the 2005/06 school year, and to provide details of the arrangements for a new retention incentive for eligible NETs who are serving continuously under the Enhanced NET Scheme in Secondary Schools or the NET Scheme in Primary Schools after they have completed at least two years of continuous service in Hong Kong immediately before the 2005/06 school year. Schools are requested to bring this circular to the attention of their NETs.

SPECIAL ALLOWANCE

2. The Education and Manpower Bureau (EMB) has adjusted the Special Allowance (SA) rate to HK\$12,950 per month with effect from the 2005/06 school year onwards. The SA aims to assist NETs in meeting cost of living (mainly accommodation cost) in Hong Kong provided that they have provided proof that their normal place of residence is outside Hong Kong. The EMB has already adjusted the SA payment centrally and schools should effect the relevant payment to them accordingly.

RETENTION INCENTIVE

3. Starting from the 2005/06 school year onwards, the EMB has introduced a new retention incentive to provide additional incentive for serving NETs to continue their service in Hong Kong. Eligible NETs may apply for the retention incentive through their schools (i.e. employers) subject to the following conditions -

- (a) The retention incentive is only applicable to NETs who already have completed at least two years of continuous service in the NET Schemes when they apply for the retention incentive. If NETs have served previously but rejoined subsequently with a break in service, the relevant years of service are not treated as continuous service. However, if they have completed their previous contract on 15 August and start a new contract on or before the first day of the coming school year, they can apply for the retention incentive;
- (b) Continuously and satisfactorily completed years of service prior to the 2005/06 school year are counted towards the determination of the rate (i.e. 5% or 10%) of the retention incentive applicable to NETs for their service from 2005/06 school year onwards, but they will not attract payment of the retention incentive retrospectively under any circumstances;
- (c) The eligibility of a NET for the retention incentive is subject to the school management's satisfaction with the performance of the NET, as reflected in the annual performance appraisal, and the willingness of the school to retain his or her service throughout the remaining contract period;
- (d) NETs, who have served two years of continuous service and are in the third and fourth years of continuous service, are eligible to apply for receiving a retention incentive at 5% of current base salary, on top of their current base salary for the third and fourth years of service. The incentive is payable on a monthly basis in advance starting from the beginning of the third year of service until the end of that school year or the end of contract (whichever the earlier), and will continue to be payable until the end of the fourth year of service subject to the school management's confirmation in the annual appraisal that the performance of the NET is satisfactory;
- (e) NETs, who have served four years of continuous service and are in the fifth year of service onwards, are eligible to apply for a retention incentive at 10% of current base salary, on top of their current base salary for the fifth year of service onwards. The incentive is payable on a monthly basis in advance starting from the beginning of the fifth year of service until the end of that school year or the end of contract (whichever the earlier), and will continue to be payable in subsequent years of continuous service subject to the school management's confirmation in the annual appraisal that the performance of the NET is satisfactory;

- (f) The retention incentive will be forfeited upon resolution or termination of contract before its natural expiry, except where a NET is transferred from one school to another and such transfer is to be arranged by the EMB. Where premature resolution or termination of contract is initiated by the NET, the cumulative incentive paid for the months prior to the serving of notice in that school year will be clawed back. Where premature resolution or termination of contract is initiated by the school because of unsatisfactory performance or conduct of the NET, the cumulative incentive paid for the months in that school year after having received a written warning will be clawed back. The school heads should inform the EMB immediately of the resolution or termination of NET's contract;
- (g) A NET may render himself/herself liable to disciplinary/legal action and/or disqualification from receiving a retention incentive if he/she is found to secure or have secured the incentive by misrepresentation or deception;
- (h) The retention incentive shall be credited monthly in arrears to the NET's salary account. The incentive is not payable when the NET is on no-pay leave;
- (i) The Permanent Secretary for Education and Manpower shall reserve the right and discretion to refuse any applications for the retention incentive or to discontinue the payment of an incentive without assigning reasons thereof. In the event of any dispute in the exercise of the right and discretion, the Permanent Secretary for Education and Manpower's decision shall be final;
- (j) Notwithstanding anything contained in this circular on the retention incentive, the Permanent Secretary for Education and Manpower reserves the right to alter any of these regulations and conditions should he or she at any time consider this to be necessary; and
- (k) The retention incentive will not attract contract gratuity. The gratuity payable for the NET contract will remain the sum which, when added to the employer's contribution to the Mandatory Provident Fund Scheme, equals 15% of the total basic salary drawn during the period of the contract.

The EMB may consider the eligibility of cases under exceptional circumstances on an individual merit basis. For such cases, NETs should submit their cases with supporting documents through their school heads to the Special Duties Section of the Education and Manpower Bureau (Room 1321, 13/F, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong) for consideration.

APPLICATION

- 4. The standard application form for the retention incentive is at Appendix for use by NETs in secondary and primary schools. The completed application form should be certified by the serving school supervisor and forwarded directly to **the Special Duties Section of the Education and Manpower Bureau** (Room 1321, 13/F, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong).

ENQUIRIES

5. Please contact Mr. P S LAI at 2892 6525 or Mr. William CHU at 3540 7435 for enquiries.

Dr. K K CHAN
for Secretary for Education and Manpower

- * Delete where is inappropriate
- Please tick '✓' as appropriate

**Application for the Retention Incentive for
Native-speaking English Teachers (NET) under the NET Schemes in
Aided Primary and Secondary Schools / Aided Special Schools/ Caput Schools**

Note 1: for Schools and NETs:

1. All eligible NETs are required to apply for the retention incentive each school year and complete Part I of this form.
2. (i) Aided Primary and Secondary School Head / Aided Special School Head should complete Part II and forward this application form (**Parts I to IV**) directly to the Special Duties Section of the Education and Manpower Bureau.

(ii) Caput School Head should complete Part V. A copy of this application form (**Parts I and V**) should be sent to the Special Duties Section of the Education and Manpower Bureau for record.

Part I (To be completed and signed by the NET)

1. Name (Mr./Ms./Mrs./Miss*) _____
(The name should be identical with that shown on the applicant's HKID Card)

2. Hong Kong Identity (HKID) Card Number

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3. Name of the School
(i.e. Employer) now
serving _____
_____ Tel No. _____

4. My current contract with the School:

i. Date of Commencement of Contract :

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Day Month Year

ii. Date of Completion of Contract :

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Day Month Year

5. My previous teaching experience in Hong Kong under the NET Schemes (in chronological order)
[Please refer to Note 6 on page 9 of the Appendix before completing this part]

Name of School	Date of Commencement of Contract			Date of Completion of Contract			Did you receive contract gratuity?
	Day	Month	Year	Day	Month	Year	
(i)							*Yes / No
(ii)							*Yes / No
(iii)							*Yes / No
(iv)							*Yes / No
(v)							*Yes / No
(vi)							*Yes / No

6. Declaration

I, _____ (Full Name) wish to apply for the retention incentive under the NET Scheme in Primary/Secondary Schools as from _____ school year. I agree to abide by the following conditions:

- (i) I confirm that the information provided in this application, its attachment (if applicable) and any other documents submitted or to be submitted are true and complete;
- (ii) I have read all the details of the Education and Manpower Bureau Circular No. 2/2006, and I fully understand the content, requirements and declaration of this application;
- (iii) I understand that if I make any false statements, provide any false or misleading information, omit any relevant information, or change or alter this form in any unauthorized manner, my application may be declined or the approval granted may later be revoked. I understand that it is an offence to provide false information and may be liable to disciplinary / legal action;
- (iv) I consent to the Government of the Hong Kong Special Administrative Region making any necessary enquiries for the verification of the information given above. I authorize all government departments and other organizations or agencies to release any relevant record or information as may be required in relation to such enquiries;
- (v) I understand and accept that the information given above will be provided to government departments and other organizations or agencies authorized to process the information for the purposes relating to the application for the retention incentive under the Native-speaking English Teacher (NET) Scheme;
- (vi) I understand that if my service is terminated by the School for reasons other than unsatisfactory performance or conduct, I will be paid a retention incentive for the period of service completed, including school holidays taken within the period of service. Specifically,

the retention incentive will be granted only if my School(s) [i.e. employer(s)] is/are satisfied with my performance or conduct during the period of service;

- (vii) I agree that my School (i.e. employer) could withhold the grant of the retention incentive if I were subject to any disciplinary or criminal proceedings or investigation into any acts which may affect the grant of the retention incentive. If I were finally convicted of any criminal offences, the cumulative incentive paid for the months after having committed the offences would be clawed back;
- (viii) I agree that if I resign or am dismissed, or my service is terminated for reasons of unsatisfactory performance or conduct, I will not be eligible to apply for the retention incentive. Where premature resolution or termination of contract is initiated by me, the cumulative incentive paid for the months prior to the serving of notice in that school year will be clawed back. Where premature resolution or termination of contract is initiated by the school because of unsatisfactory performance or conduct, the cumulative incentive paid for the months in that school year after having received a written warning will be clawed back;
- (ix) I hereby undertake to pay back the retention incentive under (vii) and (viii) above;
- (x) I understand that the retention incentive is not counted as base salary which will attract gratuity;
- (xi) I understand that the retention incentive is taxable;
- (xii) I agree that in circumstances where a retention incentive is paid to me in the mistaken belief that I have:
 - (a) satisfactorily completed my Contract and my obligations there under; or
 - (b) not been convicted of any offence that if determined on its own fact, would have led to the dismissal from the service during and in respect of my employment with the School(s) [i.e. employer(s)].

The School(s) shall be entitled, without affecting its other rights, to recover from me the whole or part of the retention incentive commensurate with all the circumstances of the case including the unsatisfactory nature of my service and the seriousness of the offence on my part. Such right of the School shall survive the cessation of the Contract.

- (xiii) I have read, understood and accept all of the conditions contained in this declaration.

Signature of the applicant _____

Date: _____

Part II (To be completed by aided schools and forwarded to the Special Duties Section of Education and Manpower Bureau)

School Name : _____

School Code :

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Tel. No : _____ Fax No : _____

Note 2: The data collected below is used for payment of the retention incentive 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.

1. I certify that the information in Part I is correct.

2. Staff Appraisal for (**Full Name of the NET**) _____
 - (a) The NET has received the gratuity from his/her previous schools (i.e. employers)
 Yes No

 - (b) Taking into account the NET's performance or conduct throughout his / her previous and existing service period(s), I * recommend / do not recommend the grant of the retention incentive to the NET.

3. I confirm that the above teacher has been continuously working as a NET for more than:
 24 calendar months but less than 48 calendar months 48 calendar months

4. In view of paragraphs 2 and 3 above, the above mentioned teacher is eligible to receive the retention incentive (see Note 3 below):
 5 % retention incentive with more than 2 years (24 calendar months) but less than 4 years' (48 calendar months) continuous service in Hong Kong under the NET Scheme. *[please complete 4(i) only]* 10% retention incentive with more than 4 years' (48 calendar months) continuous service in Hong Kong under the NET Scheme. *[please complete 4(ii) only]*
 - (i) for the period** from _____ to _____ (5%)
 - (ii) for the period** from _____ to _____ (10%)

** Under the NET Schemes, the incentive is payable to the NET each school year subject to the school management's confirmation in the annual appraisal that the performance of the NET is satisfactory. (i.e. it is payable starting either from the beginning of the third/fourth year of service or the beginning of the fifth year of service onwards until the coming August). However, the exact end date for payment of the retention incentive to a NET depends on his/her current contractual terms under the NET Schemes. If his/her current contract ends on 15 August or 31 August, the payment of the retention incentive should cease on 15 August or 31 August respectively. Schools should remind their NETs to apply for the retention incentive at the beginning of each school year.

[Note 3: The school is required to complete **both** paras. 4(i) and (ii) of Part II if the NET is eligible for both the 5% and 10% retention incentive during the current school year. Please refer to the following example **before** completing the paragraphs.]

e.g. If a NET has been continuously serving since **4 November 2001**, his/her employment history is as follows:

The first contract: from 4.11.2001 to 15.8.2003 at ABC Secondary School

The second contract: from 16.8.2003 to 15.8.2005 at DEF Secondary School

The third contract: from 16.8.2005 to 15.8.2007 at GHI Primary School

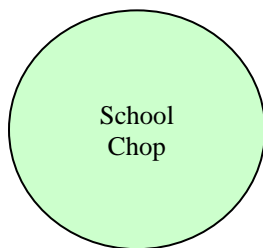
In view of the above, the NET has provided **4 years** (48 calendar months) of continuous service in Hong Kong under the NET Schemes as at 3.11.2005.

According to this example, the NET will be eligible for granting 5% retention incentive from 16.8.2005 to 3.11.2005. Starting from 4.11.2005 to 15.8.2006, the NET will be eligible for granting 10% retention incentive.

(a) I certify that the above information in Part I and Part II are correct.

(b) I undertake to inform the Funds Section via the Special Duties Section of the Education and Manpower Bureau as soon as possible if there is any change in the information provided above and to repay the Government for any overpayment of the retention incentive to the NET concerned.

(c) I undertake to inform the Funds Section of the Education and Manpower Bureau immediately to claw back the paid retention incentive if the NET tenders his/her resignation from this school or is dismissed by this school.



Signature of Supervisor: _____

Name: _____

Date: _____

Part III (To be completed by Special Duties Section, Education and Manpower Bureau)

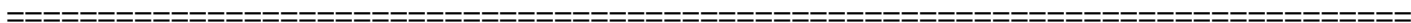
For all paragraphs of Parts I and II in respect of **(Full Name of the NET)** _____
 _____, I confirm that

- they are correct.
- they are correct **except** paragraph(s) _____ which has/have been amended and initialled by me.

Signature (_____): _____

Name : _____

Date : _____



Part IV (To be completed by the Funds Section, Finance Division, Education and Manpower Bureau)

<i>Received on</i>	<i>Input Prepared by</i>	<i>Date</i>	<i>Checked by</i>	<i>Date</i>

Part V (To be completed and retained by caput schools)

School Name : _____

School
Code :

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Tel. No : _____ Fax No : _____

Note 4: The data collected below is used for payment of the retention incentive 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.

1. I certify that the information in Part I is correct.
2. Staff Appraisal for (**Full Name of the NET**) _____
 - (a) The NET has received the gratuity from his/her previous schools (i.e. employers)
 Yes No
 - (b) Taking into account the NET's performance or conduct throughout his / her previous and existing service period(s), I * recommend / do not recommend the grant of the retention incentive to the NET.
3. I confirm that the above teacher has been continuously working as a NET for more than:
 24 calendar months but less than 48 calendar months 48 calendar months
4. In view of paragraphs 2 and 3 above, the above mentioned teacher is eligible to receive the retention incentive (see Note 5 below):
 5 % retention incentive with more than 2 years (24 calendar months) but less than 4 years' (48 calendar months) continuous service in Hong Kong under the NET Scheme. *[please complete 4(i) only]* 10% retention incentive with more than 4 years' (48 calendar months) continuous service in Hong Kong under the NET Scheme. *[please complete 4(ii) only]*
 - (i) for the period** from _____ to _____ (5%)
 - (ii) for the period** from _____ to _____ (10%)

** Under the NET Schemes, the incentive is payable to the NET each school year subject to the school management's confirmation in the annual appraisal that the performance of the NET is satisfactory. (i.e. it is payable starting either from the beginning of the third/fourth year of service or the beginning of the fifth year of service onwards until the coming August). However, the exact end date for payment of the retention incentive to a NET depends on his/her current contractual terms under the NET Schemes. If his/her current contract ends on 15 August or 31 August, the payment of the retention incentive should cease on 15 August or 31 August respectively. Schools should remind their NETs to apply for the retention incentive at the beginning of each school year.

[Note 5: The school is required to complete **both** paras. 4(i) and (ii) of Part II if the NET is eligible for both the 5% and 10% retention incentive during the current school year. Please refer to the following example **before** completing the paragraphs.]

e.g. If a NET has been continuously serving since **4 November 2001**, his/her employment history is as follows:

The first contract: from 4.11.2001 to 15.8.2003 at ABC Secondary School

The second contract: from 16.8.2003 to 15.8.2005 at DEF Secondary School

The third contract: from 16.8.2005 to 15.8.2007 at GHI Primary School

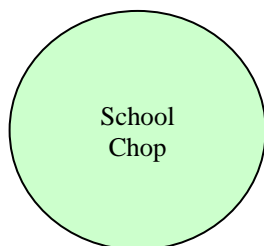
In view of the above, the NET has provided **4 years** (48 calendar months) of continuous service in Hong Kong under the NET Schemes as at 3.11.2005.

According to this example, the NET will be eligible for granting 5% retention incentive from 16.8.2005 to 3.11.2005. Starting from 4.11.2005 to 15.8.2006, the NET will be eligible for granting 10% retention incentive.

(a) I certify that the above information in Part I and Part V are correct.

(b) I undertake to inform the Education and Manpower Bureau as soon as possible if there is any change in the information provided above and to repay the Government for any overpayment of the retention incentive to the NET concerned.

(c) I undertake to inform the Education and Manpower Bureau immediately to claw back the paid retention incentive if the NET tenders his/her resignation from this school or is dismissed by this school.



Signature of Supervisor: _____

Name: _____

Date: _____

Note 6:

- (a) Please attach supporting documents from your previous schools for the teaching experience in para. 5 of Part I.
- (b) If there is insufficient space in para. 5 of Part I, please give details on a separate sheet to be attached to this application.
- (c) Please read the following examples **before** completing para. 5 of Part I.

Example 1

If you have been continuously working as a NET since 16 August 2000, your employment history is as follows:

The first contract: from 16.8.2000 to 15.8.2002 at ABC Secondary School

The second contract: from 16.8.2002 to 15.8.2004 at ABC Secondary School

The third contract: from 16.8.2004 to 15.8.2006 at DEF Primary Schools

You need to fill in the information in paragraph 5 of Part I as follows:

Name of School	Date of Commencement of Contract			Date of Completion of Contract			Did you receive contract gratuity?
(i) ABC Secondary School	16	08	2000	15	08	2002	*Yes / No
(ii) ABC Secondary School	16	08	2002	15	08	2004	*Yes / No
(iii) DEF Primary School	16	08	2004	15	08	2006	*Yes / No

Day Month. Year Day Month. Year

Example 2

If you have been continuously working as a NET since 16 August 2003, your employment history is as follows:

The first contract: from 16.8.2003 to 15.8.2005 at ABC Secondary School

The second contract: from 16.8.2005 to 15.8.2007 at DEF Secondary School

You need to fill in the information in paragraph 5 of Part I as follows:

Name of School	Date of Commencement of Contract			Date of Completion of Contract			Did you receive contract gratuity?
(i) ABC Secondary School	16	08	2003	15	08	2005	*Yes / No
(ii) DEF Secondary School	16	08	2005	15	08	2007	*Yes / No

Day Month. Year Day Month. Year

--- End ---