

# Education Bureau Circular Memorandum No. 77/2011

From : Secretary for Education

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

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

Date : 20 May 2011

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 by NETs before leaving Hong Kong at the end of the contract. This circular memorandum supersedes the Education Bureau (EDB) Circular Memorandum No. 88/2010 dated 11 June 2010 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 EDB Circular Memorandum No. 65/2011 entitled “Native-speaking English Teacher (NET) Scheme in Primary Schools --- Letter of Appointment”.

5. Supervisors of aided primary 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 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.

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for Secretary for Education

