

Education Bureau Circular No. 4/2012

From : Secretary for Education

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

Ref. : (7) in EDB(NETADM)/PNET/1/8/1(1)

Date : 18 May 2012

c.c. : Supervisors/Heads of all private primary schools/DSS schools, Heads of Sections/Government primary schools

Native-speaking English Teacher Scheme in Primary Schools

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

SUMMARY

This circular 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 supersedes the Education Bureau (EDB) Circular Memorandum No. 77/2011 dated 20 May 2011 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.

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.
- (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 the circular memorandum on “Native-speaking English Teacher (NET) Scheme in Primary Schools --- Letter of Appointment” issued to schools annually.

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.

Mrs T W HONG
for Secretary for Education

- (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
		\$	/ /				
		\$	/ /				

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Examples

Example 1:

A NET has been continuously working under the NET Scheme since 16.8.2022 and his/her employment history is as follows:

ABC Primary School: from 16.8.2022 to 15.8.2024

DEF Secondary School: from 16.8.2024 to 15.8.2026

The NET joined the NET Scheme before the 2025/26 school year. He/she has completed two continuous contracts under the Scheme with satisfactory performance. The rate of contract gratuity remains unchanged if the NET continues to serve under the NET Scheme.

Result

The NET is entitled to **15%** of total current basic salary (when added to the employer's contribution to the MPF Scheme) over the contract period.

Example 2:

A NET has served under the NET Scheme in the 2022/23 and 2023/24 school years. He/she left the NET Scheme on 16.8.2024 and re-joined on 1.10.2025. His/her employment history is as follows:

ABC Primary School: from 16.8.2022 to 15.8.2024

DEF Secondary School: from 1.10.2025 to 15.8.2027

The NET re-joined the NET Scheme with a break in service (exceeding one year). He/she is considered as newly appointed in or after the 2025/26 school year. He/she has completed the first contract under the NET Scheme with satisfactory performance.

A 2-tier rate of contract gratuity is applicable:

For NETs serving in the first and second contracts

10% of total current basic salary (when added to the employer's contribution to the MPF Scheme) paid over the contract period on satisfactory completion of each contract

For NETs serving after two contracts

15% of total current basic salary (when added to the employer's contribution to the MPF Scheme) paid over the contract period on satisfactory completion of each contract and upon fulfilling training requirements for newly-joined teachers within first three years of services

Result

The NET is entitled to **10%** of total current basic salary (when added to the employer's contribution to the MPF Scheme) over the contract period.

Example 3:

A NET was newly appointed in the 2025/26 school year. His/her employment history is as follows:

ABC Primary School:	from 16.8.2025 to 15.8.2027
ABC Primary School:	from 16.8.2027 to 15.8.2029
DEF Secondary School:	from 16.8.2029 to 15.8.2031

The NET has fulfilled the training requirements for newly-joined teachers on 30.6.2028.

The NET was newly appointed in or after the 2025/26 school year. He/she has completed the third contract under the Scheme with satisfactory performance. He/she has also fulfilled the training requirements for newly-joined teachers within first three years of services.

A 2-tier rate of contract gratuity is applicable:

For NETs serving in the first and second contracts

10% of total current basic salary (when added to the employer's contribution to the MPF Scheme) paid over the contract period on satisfactory completion of each contract

For NETs serving after two contracts

15% of total current basic salary (when added to the employer's contribution to the MPF Scheme) paid over the contract period on satisfactory completion of each contract and upon fulfilling training requirements for newly-joined teachers within first three years of services

Result

The NET is entitled to **15%** of total current basic salary (when added to the employer's contribution to the MPF Scheme) over the contract period.

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Personal Information Collection Statement

Purpose of Collection

1. The personal data provided by you in this form will be used by EDB for one or more of the following purposes:
 - (a) Activities relating to the processing, authentication and counter-checking of employment-related matters including appointments, training and career developments, remuneration and benefits, staff relation, communications and compliance with procedures;
 - (b) Activities relating to matching of the personal data with the database of relevant Government bureaux / departments in connection with the processing, authentication and counter-checking of employment-related matters mentioned in (a) above;
 - (c) Activities relating to matching of the personal data within the database of EDB for purposes of verifying / updating records of EDB, and
 - (d) Activities relating to compilation of statistics, research and Government publications.
2. The provision of personal data required by this form and during the processing of this form is obligatory. In the event that you do not provide those personal data, we may not be able to handle or further process the form.

Classes of Transferees

3. The personal data you provide will be made available to persons working in EDB. Apart from this, they may be transferred or disclosed to the parties or in the circumstances listed below:-
 - (a) other Government bureau and departments for the purposes mentioned in paragraph 1 above;
 - (b) personnel, agent, service provider or organisations engaged by EDB to provide services or advice for the purposes mentioned in paragraph 1 above;
 - (c) where you have given your prescribed consent to such disclosure; and
 - (d) where such disclosure is authorised or required under the law or court order applicable to Hong Kong.

Access to Personal Data

4. You have the right to request access to and correction of your personal data held by EDB. Request for access or correction of personal data should be made in writing to the Controlling Officer (Data Protection) at 15/F, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong or email to edbinfo@edb.gov.hk.

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