

Grant Schools Provident Fund (Amendment) Rules 2000 Subsidized Schools
Provident Fund (Amendment) Rules 2000

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EDUCATION DEPARTMENT
HONG KONG

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EDB Circular No.26/2000
(Formerly referred as EMB Circular No. 26/2000)
(Formerly referred as Administration Circular No.26/2000)

Grant Schools Provident Fund (Amendment) Rules 2000
Subsidized Schools Provident Fund (Amendment) Rules 2000

[Note : This circular should be read by -

- (a) Supervisors, Heads and Teachers of Aided and Direct Subsidy Scheme (DSS) Schools - for necessary action
- (b) Supervisors and Heads of Caput Schools, Private Independent Schools under the Bought Place Scheme, Heads of Sections/Government Schools – for information.]

Purpose

The purpose of this circular is to inform schools of the amendments to the Grant Schools Provident Fund (GSPF) Rules and the Subsidized Schools Provident Fund (SSPF) Rules made under section 85 of the Education Ordinance so that teachers of aided schools can remain in the statutory provident fund schemes when they switch employment to Direct Subsidy Scheme (DSS) schools. These amendments came into operation on 19 May 2000 upon the gazetting of the commencement notice.

Background

2. It is Government's policy to foster the development of a vibrant DSS school sector to inject more variety into the school system and to provide more choice to parents. As part of our overall strategy to develop a strong DSS school sector, we have been encouraging aided schools to join the DSS. From discussion with the education sector, we understand that one of the main concerns of aided schools when they consider whether to join the DSS is whether their teachers' existing provident fund benefits could be preserved upon their change of status from aided to DSS.

3. We proposed to the Boards of Control of the GSPF and the SSPF that the provident fund benefits should be preserved when aided school teachers join DSS schools. The agreed proposals reached with the Boards of Control of the GSPF and the SSPF are as follows -

(a) For grant schools teachers

- (i) When a grant school switches to the DSS, its serving teachers who are already contributors to the GSPF can choose to stay in (and contribute to) the GSPF. Alternatively, the teachers may opt for a provident fund to be offered by the ex-grant DSS school.
- (ii) If a teacher chooses to remain in the GSPF upon his school turning from grant to DSS status under (i) above, and if he subsequently decides to leave the ex-grant DSS school and joins another DSS school, he may choose to stay in (and contribute to) the GSPF or opt for a provident fund offered by his new employer. If, however, he changes his employment yet again and joins another DSS school, he must leave the GSPF.
- (iii) When a teacher of a grant school leaves the school and joins a DSS school, he may choose to stay in (and contribute to) the GSPF or opt for a provident fund offered by the DSS school. If, however, he changes his employment yet again and joins another DSS school, he must leave the GSPF.
- (iv) For (i), (ii) and (iii) above, if a teacher opts to stay in the GSPF, the teacher's employer (i.e. the DSS school) will have to donate the GSPF in place of Government's donation. The employer's donation will be at the same rate as that of Government's had the teacher remained in employment in the grant school sector. The teacher's contribution and the school's donation will be calculated on the basis of the teacher's salary stated in the contract between the teacher and the DSS school.
- (v) For (i), (ii) and (iii) above, if a teacher opts to stay in the GSPF, the period of service during which the teacher makes continuous contributions to the fund when he is employed by a DSS school will be counted towards the continuous contributory service.

- (vi) For (i), (ii) and (iii) above, if a teacher closes his account in the GSPF, his service in the DSS school and continuous contributory service completed prior to the closure of his account will not be counted towards the continuous contributory service if at a future date he re-joins an aided school and re-opens an account in either of the two statutory provident funds.

(b) For subsidized school teachers

- (i) When a subsidized school switches to the DSS, its serving teachers who are already contributors to the SSPF can choose to stay in (and contribute to) the SSPF. Alternatively, the teachers may opt for another provident fund to be offered by the ex-subsidized DSS school. In the former case, they are allowed to stay in the SSPF for **a maximum period of five years** immediately after the school has switched to the DSS.
- (ii) If a teacher opts to stay in the SSPF, the teacher's employer (i.e. the DSS school) will have to donate to the SSPF in place of Government's donation. The employer's donation will be at the same rate as that of Government's had the teacher remained in employment in the subsidized school sector. The teacher's contribution and the school's donation will be calculated on the basis of the teacher's salary stated in the contract between the teacher and the DSS school.
- (iii) If a teacher opts to stay in the SSPF, the period of service during which the teacher makes continuous contributions to the fund when he is employed by a DSS school will be counted towards the continuous contributory service.
- (iv) If a teacher closes his account in the SSPF, his service in the DSS school and continuous contributory service completed prior to the closure of his account will not be counted towards the continuous contributory service if at a future date he re-joins an aided school and re-opens an account in either of the two statutory provident funds.

4. In sum, the arrangements for grant school and subsidized school teachers will be different in two ways. **First**, a grant school teacher can choose to stay in the GSPF without any time limit after his school has joined the DSS. Furthermore, if he subsequently joins another DSS school, he will also have

the option to stay in the GSPF. (If, however, he changes his employment with yet another DSS school, then he must leave the GSPF.) By contrast, a subsidized school teacher can remain in the SSPF only for at most five years after his school has joined the DSS. Furthermore, if he subsequently joins another DSS school, he must leave the SSPF. **Secondly**, a grant school teacher can stay in the GSPF if he leaves his grant school employment and joins a DSS school for the first time, whereas a subsidized school teacher is not given a similar option if he changes employment to a DSS school.

The Amendment Rules

5. The two sets of Amendment Rules, at Annexes A and B respectively, give legal effect to the proposals in paragraph 3 above. The major amendments are set out below -

- (a) **Clauses 4 and 5** of the GSPF Amendment Rules expand the scope of contributors of the GSPF to allow the following categories of teachers to stay in the GSPF -
 - (i) grant school teachers whose employers join the DSS;
 - (ii) teachers in (i) above who leave the (ex-grant) DSS schools and take up another teaching employment in the DSS sector for the first time; and
 - (iii) grant school teachers who leave the employment of grant schools to take up teaching employment in the DSS sector for the first time.
- (b) **Clauses 5 and 6** of the SSPF Amendment Rules expand the scope of contributors of the SSPF to allow subsidized school teachers whose employers join the DSS to stay in the SSPF for a maximum period of five years after the employers have joined the DSS.
- (c) **Clause 8** of the GSPF Amendment Rules and **clause 9** of the SSPF Amendment Rules specify that DSS schools need to donate to the two funds as appropriate for contributors in their employment and at the same rate as Government would have done had the teachers remained in the aided school sector.

Administrative aspects

6. Aided schools which are contemplating applying to join the DSS should fully brief their teachers about the preservation arrangements and note their obligation as an employer in the matching of fund donations as described above.
7. Should they wish to employ ex-aided school teachers, DSS schools are requested to note the implications regarding the employer's donation to the GSPF and SSPF as appropriate.
8. School authorities are requested to ensure that the contribution of donations from both the employer and the teacher contributors is required to be paid to the contributing teacher's account within the specified period. If the DSS schools fail to make contribution/donation by the deadline, they will be liable to a penalty on the delayed payments.
9. A separate circular on the detailed administrative procedures will be issued by the Department in due course.
10. In case of inquiry on the general content of the circular, please contact the respective District Education Officers in your district.

H F LEE
for Director of Education

GRANT SCHOOLS PROVIDENT FUND (AMENDMENT) RULES 2000

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GRANT SCHOOLS PROVIDENT FUND (AMENDMENT) RULES 2000

(Made by the Chief Executive in Council under section 85
of the Education Ordinance (Cap. 279))

1. Commencement

These Rules shall come into operation on a day to be appointed by the Secretary for Education and Manpower by notice in the Gazette.

2. Interpretation

Rule 2 of the Grant Schools Provident Fund Rules (Cap. 279 sub. leg.) is amended -

(a) by renumbering it as rule 2(1);

(b) in paragraph (1) -

(i) by repealing the definition of

"continuous contributory service" and
substituting -

"continuous contributory service"

((((((), in relation to a
teacher, means any period of
service during which the
teacher -

(a) makes continuous
contributions to the
fund or a provident
or super-annuation
fund approved by the
Director for the
purposes of these

rules; and

- (b) has not closed his
account in that fund
at any time,

and includes -

- (i) study leave, sick
leave or maternity
leave approved by the
Director; and

- (ii) any service -

- (A) at 2 or more
grant schools;

- (B) at 1 or more
grant schools
and at 1 or more
subsidized
schools;

- (C) at 1 or more
grant schools
and at 1 or more
DSS schools; or

- (D) at 1 or more
grant schools
and at 1 or more
subsidized
schools and at 1
or more DSS
schools,

either without a

break in teaching
service or with such
a break if the break
has been approved by
the Director;" ;

(ii) in the definition of "fund" and "board",
by adding "maintained under these rules"
after "provident fund";

(iii) by adding -

"account" , in relation to a

contributor, means an account
maintained for the contributor
under rule 8(3);

"DSS school" (((((means a school
which has joined the Direct
Subsidy Scheme administered by
the Director under which the
school receives subsidy
directly from the Government
according to such terms and
conditions as may be specified
by the Government from time to
time;

"without a break in teaching

service" (((((means continuous
teaching employment in 1 or
more grant schools, subsidized
schools or DSS schools." ;

(c) by adding -

"(2) In the calculation of continuous contributory service for the purposes of rules 9, 9A, 13 and 13B, where a contributor commenced his service on a day in a month other than the first day of that month, he shall be deemed to have commenced his service on the first day of that month."

3. Object of rules

Rule 3 is amended -

- (a) by repealing "contributory fund which since 1 September 1945 has provided" and substituting "fund which provides";
- (b) by adding "and teachers in DSS schools who are contributors" after "schools";
- (c) by repealing "such" and substituting "the".

4. Contributors

Rule 7 is amended by adding -

"(4) Where a grant school ceases to be a grant school and becomes a DSS school, a contributor employed in the grant school who commences employment in the DSS school as a teacher may, subject to rule 7A, contribute to the fund.

(5) Where a teacher employed in a grant school commences employment in a DSS school as a teacher for the first time (since the commencement of the Grant Schools Provident Fund (Amendment) Rules 2000 (L.N.78 of 2000)) in a case other than that to which paragraph (4) applies, he may, subject to rule 7B, contribute to the fund.

(6) A contributor employed in a DSS school may at any time opt not to contribute to the fund.

(7) A contributor employed in a DSS school who has exercised the option under paragraph (6) is not entitled to contribute to the fund when he is employed in the DSS school."

5. Rules added

The following are added -

"7A. Special arrangements for grant schools turning into DSS schools

(1) Where a grant school ceases to be a grant school and becomes a DSS school, a contributor employed in the grant school who commences employment in the DSS school as a teacher shall have the option of -

- (a) having his account closed in accordance with rule 13 and receiving payment in accordance with rule 14; or
- (b) continuing to contribute to the fund under these rules.

(2) If the contributor has exercised the option under paragraph (1)(a), he is not entitled to contribute to the fund when he is employed in the DSS school.

(3) If the contributor has exercised the option under paragraph (1)(b) and subsequently commences employment in another DSS school as a teacher for the first time (since the commencement of the Grant Schools Provident Fund (Amendment) Rules 2000 (L.N.78 of 2000)) in a case other than that to which paragraph (1) applies, he shall have the option of -

- (a) having his account closed in accordance with

rule 13 and receiving payment in accordance with rule 14; or

(b) continuing to contribute to the fund under these rules.

(4) If the contributor has exercised the option under paragraph (3)(a), he is not entitled to contribute to the fund when he is employed in that other DSS school.

(5) If the contributor has exercised the option under paragraph (3)(b), he is not entitled to contribute to the fund if he commences employment in another DSS school as a teacher at a subsequent time in a case other than that to which paragraph (1) applies.

7B. Special arrangements for grant school teachers commencing employment in DSS schools for the first time

(1) Where a contributor employed in a grant school commences employment in a DSS school as a teacher for the first time (since the commencement of the Grant Schools Provident Fund (Amendment) Rules 2000 (L.N. 78 of 2000)) in a case other than that to which rule 7A(1) applies, he shall have the option of -

(a) having his account closed in accordance with rule 13 and receiving payment in accordance with rule 14; or

(b) continuing to contribute to the fund under these rules.

(2) If the contributor has exercised the option under paragraph (1)(a), he is not entitled to contribute to the fund when he is employed in the DSS school.

(3) If the contributor has exercised the option under paragraph (1)(b), he is not entitled to contribute to the fund if he commences employment in another DSS school as a teacher at a subsequent time in a case other than that to which rule 7A(1) applies."

6. Contributions

Rule 8 is amended -

(a) in paragraph (1), by adding "by a contributor employed in a grant school" after "fund";

(b) by adding -

"(1A) Contribution to the fund by a contributor employed in a DSS school shall be at the rate of 5 per cent of the contributor's salary under his contract of employment, and, except with the consent of the Director, shall be payable only in respect of periods during which the contributor draws such salary.";

(c) in paragraph (3), by adding -

"(ba) donations made by the school in accordance with rule 9A (if applicable); and".

7. Government donation

Rule 9 is amended -

(a) in paragraph (1), by adding "employed in a grant school" after "contributor";

(b) in paragraph (2), by adding "employed in a grant school" after "contributor" where it first appears;

- (c) by repealing paragraph (4);
- (d) in paragraph (7), by adding "(whether or not employed in a grant school)" after "contributor" where it first appears.

8. Rule added

The following is added -

"9A. DSS school donation

(1) For each contribution by a contributor employed in a DSS school, the school shall pay to the fund a sum referred to in these rules as a DSS school donation.

(2) A DSS school donation by a DSS school shall be paid to the fund each month when the contribution by a contributor employed in the DSS school becomes payable, and shall be an amount equal to the following percentage of the contributor's salary under his contract of employment -

- (a) 5 per cent, if his continuous contributory service is less than 10 years;
- (b) 10 per cent, if his continuous contributory service is not less than 10 years but less than 15 years;
- (c) 15 per cent, if his continuous contributory service is not less than 15 years.

(3) A DSS school donation paid in respect of a contributor shall be forthwith credited to his account by the supervisor of the relevant DSS school and by the treasurer."

9. Reserve fund

Rule 11(1)(a)(ii) is amended by adding "and DSS school donation (if any)" after "Government donation".

10. Benefits

Rule 13 is amended -

(a) in paragraph (1) -

(i) by adding "or DSS school (as the case may be)" after "grant school";

(ii) by repealing subparagraph (b) and substituting -

"(b) on the ground of ill health, certified by a Government medical board (in the case of a contributor employed in a grant school) or a registered medical practitioner within the meaning of section 2 of the Medical Registration Ordinance (Cap. 161) (in the case of a contributor employed in a DSS school), as constituting a reasonable ground for cessation of his employment;"

(iii) by repealing subparagraph (c) and substituting -

"(c) (in the case of a grant school) upon the school ceasing to be a grant school;"

- (iv) by adding -
 - "(ca) (in the case of a DSS school)
upon the school ceasing to be a
DSS school, except where the
school turns into a grant
school;"
 - (v) by repealing "13A" and substituting "7A
or 7B (whichever is applicable) and rules
13A and 18";
 - (vi) by adding "and DSS school donations (if
any)" after "donations";
 - (vii) by repealing "" and substituting "";
- (b) in paragraph (2) -
- (i) by adding ", (ca)" after "(c)";
 - (ii) by adding "or DSS school (as the case may
be)" after "school";
 - (iii) by adding "and rules 7B and 18" after
"(3)";
 - (iv) by adding "and DSS school donations (if
any)" after "Government donations";
- (c) in paragraph (2A) -
- (i) by adding ", (ca)" after "(c)";
 - (ii) by adding "or DSS school (as the case may
be)" after "school";
 - (iii) by adding "and rules 7B and 18" after
"(3)";
- (d) by repealing paragraph (4).

11. Rule added

The following is added -

**"13B. DSS school contributors ceasing
to be contributors**

(1) Where a contributor employed in a DSS school opts not to contribute to the fund under rule 7(6) after 10 years of continuous contributory service, his account shall be closed and the amount standing to the credit of his account at the date approved by the Director for the purpose of this rule, including all Government donations, DSS school donations and all dividends that have been declared up to and including that date, shall be paid to him in accordance with rule 14.

(2) Where a contributor employed in a DSS school opts not to contribute to the fund under rule 7(6) after 5 years or more but less than 10 years of continuous contributory service, his account shall be closed and, in accordance with rule 14, the payment due to him as a contributor shall be an amount equal to that contributed by him up to the date approved by the Director for the purpose of this rule, and all dividends that have been declared on that contribution plus an amount equal to the following percentage of all Government donations, DSS school donations and all dividends that have been declared on such donations -

- (a) 50 per cent, if his continuous contributory service is less than 6 years;
- (b) 60 per cent, if his continuous contributory service is not less than 6 years but less than 7 years;
- (c) 70 per cent, if his continuous contributory service is not less than 7 years but less

than 8 years;

(d) 80 per cent, if his continuous contributory service is not less than 8 years but less than 9 years;

(e) 90 per cent, if his continuous contributory service is not less than 9 years but less than 10 years.

(3) Where a contributor employed in a DSS school opts not to contribute to the fund under rule 7(6) after less than 5 years of continuous contributory service, his account shall be closed and an amount equal to that contributed by him up to the date approved by the Director for the purpose of this rule, plus such dividends as have been declared on that contribution, shall be paid to him in accordance with rule 14."

12. Transfer of teachers

Rule 18 is amended -

(a) in paragraph (1), by repealing everything before "otherwise" and substituting -

"(1) In any case in which a contributor commences employment in a subsidized school, without a break in teaching service";

(b) in paragraph (2) -

(i) by repealing "after the commencement of these rules";

(ii) by adding "or DSS school" after "school";

(c) by adding -

"(2A) In any case in which a contributor

employed in a grant school or DSS school terminates his employment in the grant school or DSS school and commences employment in another school which is a grant school, without a break in teaching service otherwise than such break as the Director may approve, the contributor shall have the option of -

- (a) having his account closed in accordance with rule 13 and receiving payment in accordance with rule 14; or
- (b) continuing to contribute to the fund under these rules without closing his account.";
- (d) by repealing paragraph (3).

Clerk to the Executive Council

COUNCIL CHAMBER

28 March 2000

Explanatory Note

These Rules amend the Grant Schools Provident Fund Rules (Cap. 279 sub. leg.) so that a teacher employed in a grant school may continue to contribute to the Grant Schools Provident Fund under the principal Rules after -

- (a) the grant school has joined the Direct Subsidy Scheme administered by the Director of Education;
or
- (b) the teacher has commenced employment in a Direct Subsidy Scheme school as a teacher for the first time since the commencement of these Rules.

SUBSIDIZED SCHOOLS PROVIDENT FUND (AMENDMENT) RULES 2000

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SUBSIDIZED SCHOOLS PROVIDENT FUND (AMENDMENT) RULES 2000

(Made by the Chief Executive in Council under section 85
of the Education Ordinance (Cap. 279))

1. Commencement

These Rules shall come into operation on a day to be appointed by the Secretary for Education and Manpower by notice in the Gazette.

2. Interpretation

Rule 2 of the Subsidized Schools Provident Fund Rules (Cap. 279 sub. leg.) is amended -

(a) by renumbering it as rule 2(1);

(b) in paragraph (1) -

(i) by repealing the definition of

"continuous contributory service" and
substituting -

"continuous contributory service"

((((((), in relation to a
teacher, means any period of
service during which the
teacher -

(a) makes continuous
contributions to the
Fund or a provident
or super-annuation
fund approved by the
Director for the

purposes of these
rules; and

- (b) has not closed his
account in that Fund
or that other fund at
any time,

and includes -

- (i) study leave, sick
leave or maternity
leave approved by the
Director; and
- (ii) any service -
 - (A) at 2 or more
subsidized
schools;
 - (B) at 1 or more
subsidized
schools and at 1
or more grant
schools;
 - (C) at 1 or more
subsidized
schools and at 1
or more DSS
schools; or
 - (D) at 1 or more
subsidized
schools and at 1
or more grant

schools and at 1
or more DSS
schools,
either without a
break in teaching
service or with such
a break if the break
has been approved by
the Director;" ;

(ii) by adding -

"account" (((), in relation to a
contributor, means an account
maintained for the contributor
under rule 8(3);

"DSS school" (((() has the meaning
assigned to it by rule 2(1) of
the Grant Schools Provident
Fund Rules (Cap. 279 sub.
leg.);

"without a break in teaching
service" (((() means continuous
teaching employment in 1 or
more grant schools, subsidized
schools or DSS schools." ;

(c) by adding -

"(2) In the calculation of continuous
contributory service for the purposes of rules
9, 9A, 13 and 13B, where a contributor
commenced his service on a day in a month

other than the first day of that month, he shall be deemed to have commenced his service on the first day of that month."

3. Establishment of the Fund

Rule 3(1) is amended by adding -

"(ba) donations from a DSS school as provided in rule 9A;".

4. Objects of the Fund

Rule 4 is amended by adding "and teachers employed in DSS schools who are contributors," after "schools".

5. Contributors

Rule 7 is amended by adding -

"(4) Where a subsidized school ceases to be a subsidized school and becomes a DSS school, a contributor employed in the subsidized school who commences employment in the DSS school as a teacher may, subject to rule 7A, contribute to the Fund.

(5) A contributor employed in a DSS school may opt not to contribute to the Fund at any time within 5 years after the school has become a DSS school.

(6) A contributor employed in a DSS school who has exercised the option under paragraph (5) is not entitled to contribute to the Fund when he is employed in the DSS school."

6. Rule added

The following is added -

"7A. Special arrangements for subsidized schools turning into DSS schools

(1) Where a subsidized school ceases to be a subsidized school and becomes a DSS school, a contributor employed in the subsidized school who commences employment in the DSS school as a teacher shall have the option of -

(a) having his account closed in accordance with rule 13 and receiving payment in accordance with rule 14; or

(b) continuing to contribute to the Fund under these rules for a maximum period of 5 years immediately after the school has become a DSS school.

(2) If the contributor has exercised the option under paragraph (1)(a), he is not entitled to contribute to the Fund when he is employed in the DSS school."

7. Contributions

Rule 8 is amended -

(a) in paragraph (1), by adding "by a contributor employed in a subsidized school" after "Fund";

(b) by adding -

"(1A) Contribution to the Fund by a contributor employed in a DSS school shall be at the rate of 5 per cent of the contributor's salary under his contract of employment, and, except with the consent of the Director, shall be payable only in respect of periods during

which the contributor draws such salary.";

(c) in paragraph (3) -

(i) by repealing "subsidized";

(ii) in subparagraph (b), by repealing "; and"
and substituting "under rule 9;"

(iii) by adding -

"(ba) all donations made by the
school thereto under rule 9A
(if applicable); and".

8. Government donation

Rule 9 is amended -

(a) in paragraph (1), by adding "employed in a
subsidized school" after "contributor";

(b) in paragraph (2), by adding "employed in a
subsidized school" after "contributor" where it
first appears;

(c) by repealing paragraph (4);

(d) in paragraph (7), by adding "(whether or not
employed in a subsidized school)" after
"contributor" where it first appears.

9. Rule added

The following is added -

"9A. DSS school donation

(1) For each contribution by a contributor employed in
a DSS school, the school shall pay to the Fund a sum referred
to in these rules as a DSS school donation.

(2) A DSS school donation by a DSS school shall be paid

to the Fund each month when the contribution by a contributor employed in the DSS school becomes payable, and shall be an amount equal to the following percentage of the contributor's salary under his contract of employment -

- (a) 5 per cent, if his continuous contributory service is less than 10 years;
- (b) 10 per cent, if his continuous contributory service is not less than 10 years but less than 15 years;
- (c) 15 per cent, if his continuous contributory service is not less than 15 years.

(3) A DSS school donation paid in respect of a contributor shall be forthwith credited to his account by the supervisor of the relevant DSS school and by the treasurer.".

10. Reserve fund

Rule 11(1)(a)(ii) is amended by adding "and DSS school donation (if any)" after "Government donation".

11. Benefits

Rule 13 is amended -

- (a) in paragraph (1) -
 - (i) by adding "or DSS school (as the case may be)" after "subsidized school" where it first appears;
 - (ii) by repealing subparagraph (b) and substituting -
 - "(b) on the ground of ill health,
certified by a Government

medical board (in the case of a contributor employed in a subsidized school) or a registered medical practitioner within the meaning of section 2 of the Medical Registration Ordinance (Cap. 161) (in the case of a contributor employed in a DSS school), as constituting a reasonable ground for cessation of his employment;" ;

- (iii) by repealing subparagraph (c) and substituting -

"(c) (in the case of a subsidized school) upon the school ceasing to be a subsidized school;" ;

- (iv) by adding -

"(ca) (in the case of a DSS school) upon the school ceasing to be a DSS school, except where the school turns into a subsidized school;" ;

- (v) by repealing "rule 13A" and substituting "rules 7A , 13A and 15" ;

- (vi) by adding "and DSS school donations (if any)" after "donations" ;

- (vii) by repealing "" and substituting "" ;

- (b) in paragraph (2) -

- (i) by adding ", (ca)" after "(c)";
 - (ii) by adding "or DSS school (as the case may be)" after "school";
 - (iii) by adding "and rule 15" after "(3)";
 - (iv) by adding "and DSS school donations (if any)" after "Government donations";
- (c) in paragraph (2A) -
- (i) by adding ", (ca)" after "(c)";
 - (ii) by adding "or DSS school (as the case may be)" after "school";
 - (iii) by adding "and rule 15" after "(3)";
- (d) by repealing paragraph (4).

12. Rule added

The following is added -

"13B. DSS school contributors ceasing to be contributors

(1) A contributor employed in a DSS school shall cease to contribute to the Fund at the expiry of 5 years after the school has become a DSS school.

(2) Where the expiry referred to in paragraph (1) occurs -

- (a) after the contributor has attained 10 years of continuous contributory service, his account shall be closed and the amount standing to the credit of his account at the date of the expiry, including all Government donations, DSS school donations and all dividends that have been declared up to and including that date, shall be paid to him in accordance with

rule 14;

- (b) after the contributor has attained 5 years or more but less than 10 years of continuous contributory service, his account shall be closed and, in accordance with rule 14, the payment due to him as a contributor shall be an amount equal to that contributed by him up to the date of the expiry, and all dividends that have been declared on that contribution plus an amount equal to the following percentage of all Government donations, DSS school donations and all dividends that have been declared on such donations -

- (i) 50 per cent, if his continuous contributory service is less than 6 years;
- (ii) 60 per cent, if his continuous contributory service is not less than 6 years but less than 7 years;
- (iii) 70 per cent, if his continuous contributory service is not less than 7 years but less than 8 years;
- (iv) 80 per cent, if his continuous contributory service is not less than 8 years but less than 9 years;
- (v) 90 per cent, if his continuous contributory service is not less than 9 years but less than 10 years;

- (c) after the contributor has attained less than 5

years of continuous contributory service, his account shall be closed and an amount equal to that contributed by him up to the date of the expiry, plus such dividends as have been declared on that contribution, shall be paid to him in accordance with rule 14.

(3) Where a contributor employed in a DSS school opts not to contribute to the Fund under rule 7(5) -

(a) after 10 years of continuous contributory service, his account shall be closed and the amount standing to the credit of his account at the date approved by the Director for the purpose of this rule, including all Government donations, DSS school donations and all dividends that have been declared up to and including that date, shall be paid to him in accordance with rule 14;

(b) after 5 years or more but less than 10 years of continuous contributory service, his account shall be closed and, in accordance with rule 14, the payment due to him as a contributor shall be an amount equal to that contributed by him up to the date approved by the Director for the purpose of this rule, and all dividends that have been declared on that contribution plus an amount equal to the following percentage of all Government donations, DSS school donations and all dividends that have been declared on such

donations -

- (i) 50 per cent, if his continuous contributory service is less than 6 years;
 - (ii) 60 per cent, if his continuous contributory service is not less than 6 years but less than 7 years;
 - (iii) 70 per cent, if his continuous contributory service is not less than 7 years but less than 8 years;
 - (iv) 80 per cent, if his continuous contributory service is not less than 8 years but less than 9 years;
 - (v) 90 per cent, if his continuous contributory service is not less than 9 years but less than 10 years;
- (c) after less than 5 years of continuous contributory service, his account shall be closed and an amount equal to that contributed by him up to the date approved by the Director for the purpose of this rule, plus such dividends as have been declared on that contribution, shall be paid to him in accordance with rule 14."

13. Transfer of teachers

Rule 15 is amended -

- (a) in paragraph (1), by repealing everything before "otherwise" and substituting -

"(1) In any case in which a contributor commences employment in a grant school, without a break in teaching service";

(b) in paragraph (2) -

(i) by repealing "after the commencement of these rules";

(ii) by adding "or DSS school" after "school";

(c) by adding -

"(2A) In any case in which a contributor employed in a subsidized school or DSS school terminates his employment in the subsidized school or DSS school and commences employment in another school which is a subsidized school, without a break in teaching service otherwise than such break as the Director may approve, the contributor shall have the option of -

(a) having his account closed in accordance with rule 13 and receiving payment in accordance with rule 14; or

(b) continuing to contribute to the Fund under these rules without closing his account.";

(d) by repealing paragraph (3).

Clerk to the Executive Council

COUNCIL CHAMBER

28 March 2000

Explanatory Note

These Rules amend the Subsidized Schools Provident Fund Rules (Cap. 279 sub. leg.) so that a teacher employed in a subsidized school may continue to contribute to the Subsidized Schools Provident Fund under the principal Rules for a maximum period of 5 years after the school has joined the Direct Subsidy Scheme administered by the Director of Education.