

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.

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for Director of Education