

Withholding Salary Increment

Points to Note

- Withholding salary increment can be one of the terms/conditions of service in the letter of appointment/employment contract.
- The mechanism for withholding salary increment should be set up in consultation with staff before implementation.
- The decision to withhold salary increment of a staff member should be supported and approved in advance by the majority of the Incorporated Management Committee (IMC) members at a meeting with all decision and documents properly recorded.
- For the purpose of salary administration, the IMC should inform the Education Bureau promptly of the case in writing.

Dos and Don'ts

Dos

- ✓ set up a formal and objective staff appraisal system
- ✓ draw up, in consultation with staff, a set of clear, objective and reasonable criteria for measuring substandard performance leading to withholding salary increment as well as the procedures for handling withholding salary increment with an appeal mechanism; and ensure the criteria and procedures are agreed on in the IMC and with the staff
- ✓ make known to staff beforehand the expected standards of performance and the procedures for handling withholding salary increment explicitly
- ✓ give warning to the staff member concerned and inform him of the IMC's intention to withhold his salary increment
- ✓ give the staff member a grace period to make improvement as well as render guidance and support to him
- ✓ re-assess the staff member's performance upon expiry of the grace period and decide whether he still deserves withholding of salary increment at a meeting of the IMC
- ✓ grant salary increment to the staff member if he shows improvement
- ✓ inform the staff member in writing well in advance of the reasons and grounds for the decision to withhold his salary increment, the effective date and length of the period of withholding salary increment, as well as the conditions for early withdrawal/continuation of the withholding period if he shows no improvement
- ✓ complete all procedures on withholding salary increment before the incremental date

Don'ts

- ✘ grant salary increment automatically without assessing the staff member's performance
- ✘ withhold salary increment for a period of more than six months unless with strong justification

Reference Materials:

- § Section 10.1(b)(ii) of the Code of Aid for Aided Schools
- § Section 7.8.3 of the School Administration Guide
- § Appendix A of the Supplement to School Administration Guide

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