

THE HONG KONG INSTITUTE OF EDUCATION

Submission to the Legco Panel on Education
at Meeting on 22 October 2001:
HKIED Management-Initiated Retirement Scheme

The Institute has recently made a painful but necessary decision to implement a Management-Initiated Retirement Scheme ("MIRS"). We would like to present to members of the Legco Panel on Education an account of why it has been done, and the current situation.

Why Introduce the MIRS at this Time?

The wide range of reforms designed to improve the quality of schooling in Hong Kong require teachers who are creative and able to ensure that all students enjoy learning, learn effectively and are committed to their society and nation. Mr. Tung recently confirmed Government's commitment to an all graduate teaching profession, which was first made in 1997, stating that "from 2005 onwards, all graduates of the HKIED will be degree holders". This represents a dramatic change from the situation in 1994, when the HKIED was founded and was expected to provide predominantly sub-degree programmes and only a small number of degree places for teachers. Essentially, the Institute needs to upgrade itself so as to achieve its mission and provide the community with the professionally qualified graduate teachers it requires.

The Institute took over in 1994 en bloc those staff members who were willing to transfer to the Institute, and the possibility of future redundancy was included as a potential reason for termination of employment in the letter of transfer given to each staff. The Institute has long been aware of overstaffing in certain teaching areas and understaffing in others. This has constituted a constraint on our capacity to provide schools with the teachers they need. Nevertheless, the Institute has provided financial support for all academic and professional staff to upgrade their qualifications since the early stage of its establishment. It is a long-standing policy to encourage and support its members to pursue lifelong learning. The Institute, however, regards support for continuous professional improvement and lifelong employment as two separate issues.

In the face of the rapidly changing situation, the Institute's Council began consideration of an early retirement scheme in 1999. Early in 2001 it accepted the reality that a management initiated retirement scheme (MIRS) was needed to enable former civil servants from the Colleges to gain immediate pension rights. After consultation with staff and the Association of Lecturers of the HKIED between March and July of 2001, the MIRS was approved by the Council. Discussions were also held with the University Grants Committee (UGC), which sees the scheme as a necessary step in the Institute's development.

The Process

Once Council approved the scheme in July, and the UGC gave its approval in early August, all staff were given full details of the scheme. When final financial arrangements were confirmed in mid-September, the Institute began to inform individuals who had been provisionally identified for early retirement. This timing was designed to avoid a situation of anxiety and uncertainty for all staff for a prolonged period. On September 21 the Director further announced that all who had been provisionally identified had been informed.

The provisional list of those to be given early retirement was drawn up by the Institute's Review Committee (IRC), made up of four deans, four directorate members and a Council member who is a chair professor at the University of Hong Kong, on the basis of recommendations provided by School Review Committees of the Institute's four Schools. The members of the IRC are the most senior academic members of the HKIEd. Almost all of them are professors of high standing who have had experience in internationally recognized universities locally and around the world. They were entrusted by Council to make the complex professional and academic judgement as to whether staff are suited to the future needs of the Institute as an institution predominantly teaching at degree and postgraduate levels, and whether they have appropriate qualifications, the two criteria approved by Council.

Since a number of teaching areas have long been overstaffed, careful comparative judgements had to be made in selecting those who should be made redundant. In no cases were the decisions mechanistic ones, dealing only with qualifications. They were complex professional and academic judgements.

The Outcome

Of the staff who were provisionally identified for early retirement, a little over half submitted written material to challenge the initial decision of the IRC, and a number chose also to make an oral presentation to the IRC. They were provided with an interpreter where needed, and could bring an observer with them for their presentation. A number of those making a challenge convinced the committee of their suitability for the future needs of the Institute. All other staff members on the final list have been given four preferences concerning the timing of their departure from the Institute, including teaching until June 30, 2002.

The Institute's Council fully understands how painful and difficult this exercise has been for the concerned staff, colleagues and the management. The Council also notes that the Institute's management has made extraordinary efforts to ensure that those staff called upon to take early retirement should be given the best possible pension and other benefits for their retirement (please see the **Annex** for further information). The Council regrets that certain colleagues identified for MIRS were deeply hurt by a management decision,

which was intended to help them by relieving them of teaching for a short period. The Institute's management has since apologized to those affected.

The Council fully supports the necessary actions taken by the management in such testing times in addressing the needs of all parties affected, while carrying forward the Institute's mission of raising the quality of teacher education in order to provide our community with the best possible teachers for our children. The community and parents expect their children to be taught by professionally qualified and competent graduate teachers, and we are committed to making that a reality.

Leaving Benefits Designed for HKIED Staff Affected by MIRS

Those who retire early will be compensated under the following terms:

I. For Transferred Staff from Former Colleges of Education

1. Mixed Service Pension (Note 1)

- a. Pension
 - i. Lump Sum Payment
Highest: HK\$4,458,381
Lowest: HK\$782,744
(Average: about HK\$2,100,000)
 - ii. Monthly Payment
Highest: HK\$48,061
Lowest: HK\$4,659
(Average: about HK\$15,000)
- b. Redundancy Payment: One month's basic salary for each year of service with HKIED starting from date the staff member joining HKIED
- c. Encashment of Leave
 - Vacation Leave, if any (up to 90 days if staff member is not actually taking the leave before leaving HKIED)
 - Sinking Balance Leave, if any
 - Sabbatical Leave, if any (up to 90 days)
- d. 3 months' notice or payment in lieu of notice, only if applicable.

2. Frozen Pension (Note 2)

- a. Pension
 - i. Lump Sum Payment
Highest: HK\$923,637
Lowest: HK\$129,399
(Average: about HK\$470,000)
 - ii. Monthly Payment
Highest: HK\$12,319
Lowest: HK\$640
(Average: about HK\$4,700)
- b. HKIED Superannuation Scheme Normal Retirement Benefit (at 2.6 times final monthly salary times Scheme Service if staff serves more than 3 years in the Government before transferred to HKIED, i.e. total service including the period in the Government is equal to or more than 10 years)
- c. Redundancy Payment: One month's basic salary for each year of service with HKIED starting from date the staff member joining HKIED

- d. Encashment of Leave
 - Vacation Leave, if any (up to 90 days if staff member is not actually taking the leave before leaving HKIED)
 - Sinking Balance Leave, if any
 - Sabbatical Leave, if any (up to 90 days)
- e. 3 months' notice or payment in lieu of notice, only if applicable.

II. For Non-transferred Staff

- a. HKIED Superannuation Scheme Normal Retirement Benefit (approximately at 2.4 times final monthly salary times Scheme Service)
- b. Redundancy Payment: equivalent to 1.8 months of the last drawn basic salary for each year of service which would be lost due to early retirement, subject to a minimum of 6 months and a maximum of 18 months of the last drawn basic salary
- c. Encashment of Leave
 - Vacation Leave, if any (up to 90 days if staff member is not actually taking the leave before leaving HKIED)
 - Sinking Balance Leave, if any
 - Sabbatical Leave, if any (up to 90 days)
- d. 3 months' notice or payment in lieu of notice, only if applicable.

Note 1 – Transferred staff on Mixed Service Pension Scheme (all of whom opted to join the Scheme voluntarily in 1994) continue to earn Government pension after transfer, as if they were civil servants during their employment with HKIED i.e. their HKIED service after transfer is regarded as Government pension service.

Note 2 – On joining HKIED in 1994, transferred staff on Frozen Pension Scheme (all of whom opted to join the Scheme voluntarily) had their earned civil service pension preserved at the last salary point reached before their transfer i.e. their HKIED employment after transfer is not regarded as Government pension service.