

**Panel on Education  
Early Retirement Scheme  
for Aided Primary School Teachers**

**Information Note**

This note informs Members of the operation of the Early Retirement Ex-gratia Payment Fund for Aided Primary School Teachers (the Fund) under the Early Retirement Scheme (the ERS) and the way forward after its implementation for three years.

2. The Finance Committee (FC) approved in February 2004 vide FCR(2003-04)62 a grant of \$700 million for establishing the Fund to launch the ERS initially for three school years starting from 2004/05, primarily to alleviate the problem of surplus teachers. FC further approved in January 2005 vide FCR(2004-05)38 revisions to the eligibility criteria for the ERS.

3. Up to September 2006, 1 929 primary school teachers joined the ERS (of which 506 teachers joined in 2004, 948 in 2005 and 475 in 2006). The total ex-gratia payment made from the Fund amounted to \$595 million, and the balance of the Fund as at 30 November 2006 stood at \$125 million, including \$20 million being the interest received.

4. As reflected in the responses and feedback, the ERS has been well-received by the schools and the teachers. It has also been effective in alleviating the problem of surplus teachers and making available more teaching posts to accommodate fresh graduates as originally planned.

5. With the introduction of various relief measures in early 2006 to stabilize the teaching force, the situation of surplus primary school teachers has improved. We will continue to implement the ERS as needed with the remaining balance of the Fund and monitor the situation closely.

6. Members are requested to note the content of the paper.