

For information  
on 20 June 2011

LC Paper No. CB(1) 2436/10-11(01)

## **LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE**

### **Determination of Teachers' Salaries in Government Schools**

#### **Introduction**

Two Members of the Panel on Public Service relayed the concerns of the Education Employees General Union over the determination of teachers' salaries in Government schools *vide* a letter of 27 November 2010. The main concerns were –

- (a) Government school teachers with more experience were paid less than those with less experience (referred to as “salary differential within the Government school sector” hereafter); and
- (b) Government school teachers were paid less than their counterparts in aided schools with the same number of years of service (referred to as “salary differential between Government schools and aided schools” hereafter).

This paper aims to account for the above situations of “salary differential” in the teaching profession.

#### **Determination of Civil Servants' Salaries**

2. Civil Service Regulation (CSR) 130(1) provides that the entry pay of an appointee (including a new recruit and a serving civil servant appointed on transfer from one civil service grade to another) shall normally be offered at the minimum pay point of the civil service grade to which the appointee is appointed. Individual grades may offer a higher entry pay to an appointee to take account of relevant qualifications and/or experience above the prescribed levels in accordance with any prevailing arrangement as may be promulgated by the Secretary for the Civil Service (SCS).

3. Other than CSR 130(1), the entry pay of serving civil servants appointed on transfer from one civil service grade to another may also be determined by CSR 130(2) when application of this sub-regulation produces a higher entry pay for the concerned officers than application of CSR 130(1). Briefly, CSR 130(2) allows a serving civil servant to carry his existing pay (or gain one pay point over existing pay in certain circumstances) upon transfer to another civil service grade, provided that the minimum pay point of the new grade is not lower than that of the former grade.

## **Determination of Teachers' Salaries in Government Schools**

### ***(I) Government school teachers***

4. Government school teachers belong to one of the three teaching grades (namely the two graduate grades of Education Officer (EO) and Primary School Master/Mistress (PSM) and the non-graduate Certificated Master/Mistress (CM) grade) in the civil service. Serving Government school teachers in the CM grade may be appointed on transfer to the EO/PSM grade, subject to their suitability and to the availability of vacancies in these grades. All Government school teachers, irrespective of the grades they belong to, are civil servants and are governed by CSRs. Accordingly, the entry pay of Government school teachers (whether as new recruits or as serving civil servants appointed on transfer) should be determined in accordance with CSR 130(1) or CSR 130(2) as appropriate, unless otherwise determined by SCS under exceptional circumstances (as provided for under CSR 130(5)).

### ***(II) 1999 Starting Salaries Review***

5. Based on the findings of the 1999 Starting Salaries Review, the Finance Committee (FC) of the Legislative Council (LegCo) approved, among other things, the following with effect from 1 April 2000 –

- (a) a 5-pay point reduction (from Master Pay Scale (MPS) 17 to MPS 12) in the starting salaries of the basic ranks of the EO and PSM grades (namely the Assistant Education Officer (AEO) and Assistant Primary School Master/Mistress (APSM) ranks);
- (b) a 2-pay point reduction (from MPS 14 to MPS 12) in the starting salary of the basic rank of the CM grade (namely the CM rank); and
- (c) implementation of the reduced starting salaries to new appointees of the above stated ranks/grades with effect from 1 April 2000.

6. With the above reduction, the reduced starting salaries of the AEO/APSM ranks were aligned to that of the reduced starting salary of the CM rank. The reduced starting salaries of the various teaching-related ranks together with the provision laid down in CSR 130(1) would mean the entry pay of aided school teachers appointed to the civil service as Government school teachers from 1 April 2000 (to 31 July 2007, see paragraph 8 below) would be subject to the reduced starting salaries. This would deter their moving across to become Government school teachers, which was against the Administration's policy of encouraging an inter-flow of teachers in the public sector. Therefore as an alternative to CSR 130(1), a "carry forward arrangement" has been put in place since 1 April 2000. Under this arrangement, an aided school teacher appointed to the civil service as a Government school teacher with no break in service will be allowed to "carry forward" his existing salary on becoming a Government school teacher, if doing so would give him a higher entry pay than the then prevailing starting salaries of the teaching grades, plus increments for relevant experience (ICEs) where applicable. The "carry forward arrangement" is also applied to serving Government school teachers in the non-graduate CM grade who are appointed on transfer to the graduate EO/PSM grades in the civil service, if this would give a higher entry pay to them than the then prevailing starting salaries of the EO/PSM grades, plus ICEs where applicable.

7. During the period from 1 April 2000 to 31 July 2007 (see paragraph 8 below) when the reduced starting salaries of the teaching-related grades prevailed, the "carry forward arrangement" had worked to the benefit of teachers, as illustrated by some examples set out in the attached **Annex**.

### ***(III) 2006 Starting Salaries Survey***

8. Based on the findings of the 2006 Starting Salaries Survey, the FC of LegCo approved, among other things, the following with effect from 1 August 2007 –

- (a) a 5-pay point increase (from MPS 12 to MPS 17) in the starting salaries of the AEO and APSM ranks;
- (b) a 2-pay point increase (from MPS 12 to MPS 14) in the starting salary of the CM rank;
- (c) the application of the "normal conversion arrangement" to affected civil servants, namely those appointed to ranks subject to reduction of starting salaries from 1 April 2000 to 31 July 2007 and had been affected by the

reduced starting salaries and remained on these ranks on 1 August 2007. Under this arrangement, where the pay of an affected civil servant on 1 August 2007 was lower than the increased starting salary of his rank, his pay would be brought up to the increased starting salary. Where the pay of an affected civil servant on 1 August was equal to or higher than the increased starting salary of his rank, his salary would be brought up to the next higher pay point; and

- (d) as a special arrangement, on top of the “normal conversion arrangement”, the grant of two additional pay points for affected teachers who possessed a Post-Graduate Certificate in Education (PGCE) qualification in Government and aided schools in the AEO/APSM and the Graduate Master/Mistress (GM) ranks and one additional pay point for affected teachers who possessed a PGCE qualification in Government and aided schools in the CM rank.

9. As Government and aided school teachers covered by the “carry forward arrangement” from 1 April 2000 to 31 July 2007 were not affected by the reduction in starting salaries which prevailed during this period, the provisions in paragraph 8(c) and (d) above were not applied to them.

### **Salary Differential within the Government School Sector**

10. The salary differential within the Government school sector, as described in paragraph 1(a), may arise in two circumstances following the appointment on transfer from the CM rank in the CM grade to the AEO/APSM ranks in the EO/PSM grades (hereafter referred to as “re-graded”), namely –

- (a) two Government school teachers were appointed as CMs in different years divided by 1 April 2000 (the starting salary of the CM rank pre-April 2000 was higher than that from April 2000 onwards) and were re-graded as AEOs in the same year during the period from 1 April 2000 to 31 July 2007 (when the starting salary of the AEO rank was reduced). The Government school teacher appointed as CM some time before 1 April 2000 (referred to as “Teacher X” hereafter) was protected from the reduced starting salary of the AEO rank by the “carry forward arrangement” upon re-grading. The other Government school teacher appointed as CM some time on or after 1 April 2000 (referred to as “Teacher Y” hereafter) was subject to the reduced starting salary of the AEO rank upon re-grading. Hence, Teacher X enjoyed a higher salary than Teacher Y from the date of re-grading to 31 July 2007. With the revised starting salaries for the teaching ranks effected on 1 August

2007, Teacher Y, who had been subject to the reduced starting salaries, was eligible for the “normal conversion arrangement” and the special arrangement for teachers with PGCE qualification (see paragraph 8(c) & (d) above); and

- (b) two Government school teachers were appointed as CMs in the same year before 1 April 2000, and one (referred to as “Teacher P” hereafter) was re-graded as AEO some time between 1 April 2000 to 31 July 2007 (when the starting salary of the AEO rank was reduced) while the other (referred to as “Teacher Q” hereafter) was re-graded as AEO some time after 31 July 2007 (when the starting salary of the AEO rank was increased). The entry pay of Teacher P upon re-grading was calculated according to the “carry forward arrangement”. The entry pay of Teacher Q upon re-grading was calculated in accordance with CSR 130(2) as it yielded a higher salary than the “carry forward arrangement”.

### **Salary Differential between the Government School Sector and the Aided School Sector**

11. The salary differential between the Government school sector and the aided school sector, as described in paragraph 1(b), can be attributed mainly to the different arrangements on the grant of ICEs in the civil service and in the aided school sector. The prevailing arrangement in the civil service is that ICEs will be granted to an appointee when difficulty has been encountered in the recruitment exercise participated by the appointee and when there is a specific need for the experience possessed by the appointee. We understand the grant of ICEs in the aided school sector is subject to different considerations as provided in the salary assessment rules and the Codes of Aid. The different approaches are unexceptional since teachers in the civil service and teachers in the aided sector are under different employers, different management and terms and conditions of service, etc.

### **Advice Sought**

- 12. Members are invited to note this paper.

**Illustrations of How the “Carry Forward Arrangement”  
Operated Between April 2000 and July 2007**

**(I) CMs in aided schools who became CMs in Government schools**

The entry pay of a teacher who joined as a CM in an aided school (a non-civil servant) before 1 April 2000 and was appointed as a CM in a Government school (a civil servant) some time during the period from 1 April 2000 to 31 July 2007 without a break in service might be calculated in accordance with the “carry forward arrangement”. The salary of the CM upon transfer was either (i) the existing salary of the CM concerned (i.e. “carry forward”), or (ii) the then prevailing starting salary of the CM rank plus ICEs where applicable, whichever was higher.

2. An illustration is provided below with a hypothetical teacher (“Teacher A”) –

(a) who was appointed as a CM in an aided school on 1 September 1998 (at MPS 14 which was the then prevailing starting salary of the CM rank);

(b) who was appointed as CM in a Government school on 1 September 2003 without a break in service; and

(c) whose salary would have been MPS 19 on 1 September 2003 had he remained a CM in the aided school.

Under the “carry forward arrangement”, the entry pay of Teacher A upon transfer would be the higher of (i) the existing salary of Teacher A (i.e. MPS 19), or (ii) the then prevailing starting salary of the CM rank (i.e. MPS 12) plus ICEs where applicable. Since the salary calculated in accordance with (i) is higher than (ii), the salary of Teacher A upon transfer would be MPS 19.

**(II) CMs in aided schools who became AEOs in Government schools**

3. The entry pay of a teacher who joined as a CM in an aided school (a non-civil servant) before 1 April 2000 and was appointed as an AEO in a

Government school (a civil servant) some time during the period from 1 April 2000 to 31 July 2007 without a break in service might be calculated in accordance with the “carry forward arrangement”. The salary of the CM upon transfer was either (i) the existing salary of the CM concerned (i.e. “carry forward”), or (ii) the then prevailing starting salary of the AEO rank plus ICEs where applicable, whichever was higher.

4. An illustration is provided below with a hypothetical teacher (“Teacher B”), who possessed a post-graduate certificate in education (PGCE) qualification –

- (a) who was appointed as a CM in an aided school on 1 September 1998 (at MPS 14 which was the then prevailing starting salary of the CM rank);
- (b) who was appointed as an AEO in a Government school on 1 September 2003 without a break in service; and
- (c) whose salary would have been MPS 19 on 1 September 2003 (i.e. MPS 14 plus five annual increments) had he remained a CM in the aided school.

Under the “carry forward arrangement”, the entry pay of Teacher B upon transfer would be the higher of (i) the existing salary of Teacher A (i.e. MPS 19), or (ii) the then prevailing starting salary of the AEO rank plus two increments for possessing a PGCE (i.e. MPS 14) and ICEs where applicable. Since the salary calculated in accordance with (i) is higher than (ii), the salary of Teacher B upon transfer would be MPS 19.