

For circulation

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

Information Note

This note informs Members of the operation of the Early Retirement Ex-gratia Payment Fund for Aided Secondary School Teachers (the Fund) under the Early Retirement Scheme (the ERS).

2. The Finance Committee (FC) approved in July 2005 vide FCR(2005-06)25 a grant of \$520 million for establishing the Fund to operate the ERS for aided secondary school teachers for three school years from 2006/07 to 2008/09 primarily to resolve the problem of subject mismatch of teachers arising from implementation of the new senior secondary curriculum, and to alleviate the problem of teacher redundancy in secondary schools. In April 2009, the FC approved to extend the ERS for four school years vide FCR(2009-10)4 from 2009/10 to 2012/13, using the remaining balance of the Fund. No extra injection of funding was required.

3. Up to September 2010, 702 secondary school teachers have joined the ERS. The total ex-gratia payment made from the Fund amounted to \$349 million, and the balance of the Fund as at 28 February 2011 stood at \$244 million, including \$73 million being the interest received.

4. We will continue to closely monitor the implementation of the Scheme.

5. Members are invited to note the content of this paper.