

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 to primarily resolve the problem of subject mismatch of teachers arising from the implementation of the new senior secondary (NSS) curriculum and to alleviate the problem of teacher redundancy in secondary schools. In April 2009, the FC approved the extension of 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. The processing of applications for the 2012/13 school year has been completed and all ex-gratia payments have been made. Since the implementation of the ERS, 959 secondary school teachers have joined the ERS. As at 31 May 2013, the total ex-gratia payment made from the Fund amounted to \$510 million and the balance of the Fund comprised the unspent balance of \$10 million of the approved grant and the accrued interest of \$80 million. As the ERS will cease to operate after the 2012/13 school year, the outstanding balance of the Fund of \$90 million will be returned to the Government.

4. The ERS has largely met the objective of facilitating the smooth implementation of the NSS curriculum in schools since September 2009. The subject mismatch of teachers arising from the implementation of the NSS curriculum has largely been resolved. To cope with the temporary decline of Secondary 1 student population in the coming few years, the Education Bureau is going to implement a basket of targeted relief measures with an aim of preserving the stability of the schools and the teaching force, including extending the retention period for surplus teachers from one year to three years. With the extended retention period, no regular teacher on the permanent

establishment will be laid off in the next three school years as a result of the temporary drop in Secondary 1 student population. It will greatly relieve the teacher redundancy problem during the transient drop of Secondary 1 student population.

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

Education Bureau
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