

Information Note

Panel on Education Extension of Retirement Age for Teaching Staff in Aided Schools

This note informs Members of the progress of work of the Education Bureau (EDB) on the extension of retirement age for teaching staff in aided schools.

Background

2. To address the challenges arising from an ageing population and shrinking of the labour force in next decades, the Government has encouraged the extension of retirement age. In this connection, the Government has raised the retirement age for newly recruited civil servants (including government school teachers) from 60 to 65 with effect from 1 June 2015.

3. The education sector will face the same challenge arising from an ageing population in the long run. In this connection, as set out in the 2015 Policy Agenda, the relevant school councils and associations, education bodies, school sponsoring bodies as well as representatives of teacher education institutions were consulted on whether, and if so, how the new retirement age policy could be extended to aided schools.

Present Position and Consultation

4. Under the Education Ordinance (EO)¹, the retirement age of aided school teachers and principals within the approved establishment is 60 unless special permission is given. An aided school may submit an application to the Education Bureau (EDB) for extension of service of

¹ The relevant provisions are stipulated in sections 58A and 58B of the Education Ordinance.

teachers and principals² beyond the retirement age if the school cannot find a replacement for the incumbent after making every reasonable effort.

5. The issues of teachers' retirement age and extension of retirement are closely related to the provision of Provident Fund to aided school teachers. All teachers employed by the aided schools under the provision of the Code of Aid are covered by the Grant School Provident Fund Rules (Cap 279C) and Subsidised School Provident Fund Rules (Cap 279D) (G/SSPF)³. For any change to the retirement age of aided school teachers, in addition to the necessary amendment to be made to the EO, it is mandatory for the EDB to review the said Provident Fund Rules for alignment purpose.

6. In the past months, the EDB consulted relevant stakeholders, including educational bodies, teacher unions, school councils, school sponsoring bodies, and students of teacher education institutions, about their views on the possible impacts of the proposed extension of retirement age among aided school teachers. Also, their preference on how the retirement age for new government school teachers could be extended to teachers in aided schools was also collected.

7. In general, the mainstream views as solicited from the consultation revealed that the stakeholders in general are inclined to extend the retirement age to 65 for new recruits of aided schools. They also concurred that it would be fair and reasonable for the contribution period and/or rate of the Government's donation to G/SSPF for new recruits to be adjusted with a view to maintaining an overall financial commitment of the Government.

² In line with the retirement policy, such applications normally will not be granted except under very special circumstances. As such, extension of service should only be seen as an exception rather than the rule. In the past five years, the EDB received 20 applications for extension of service of teacher and principals. Among them, one application was approved.

³ The Provident Fund is to provide payments to be made upon resignation, retirement, dismissal or termination of contract to teachers employed in grant/subsidized schools, or to their estates in case of death. Under Cap 279C and Cap 279D, every teacher (except temporary teachers and teachers who are 55 or over on their first appointment to a grant/subsidized school) approved for the purposes of the Subsidy Code or the code of aid for secondary, primary or special schools and employed in a subsidized school shall be required to contribute to the G/SSPF.

Way Forward

8. Noting the above views and feedback, and taking on board the genuine need to address the challenges arising from an ageing population and shrinking of the labour force, we consider it justifiable for the Government to raise the retirement age for new teachers in aided schools to 65 when the amendment to the EO is effected. EDB will need to trigger the legislative procedures for amendment of relevant clauses of the EO and the Provident Fund Rules. In the meantime, the present case-by-case approach for vetting of schools' applications for extension of service of teachers/principals will continue until the new retirement age arrangements are effected.

9. Meanwhile, an actuarial study is being conducted to evaluate the impact on the Government donation paid to the G/SSPF⁴ induced by the proposed new retirement age.

10. Members are invited to note the contents of this note.

Education Bureau

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⁴ Currently, the monthly contribution to the Fund is at the rate of 5% of the contributor's salary. The Government pays donation with reference to the prescribed percentage of the contributor's basic salary as follows:

- 5%, if his/her continuous contributory service is less than 10 years;
- 10%, if his/her continuous contributory service is not less than 10 years but less than 15 years;
- 15%, if his/her continuous contributory service is not less than 15 years.