

For discussion on
19 April 2021

LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE

Mainland and Local Education Allowance for Civil Servants

PURPOSE

This paper seeks Members' views on the proposal to expand the scope of Local Education Allowance to cover primary and secondary education in the Mainland.

BACKGROUND

Local Education Allowance (LEA)

2. In 1972, the Finance Committee (FC) of the Legislative Council (LegCo) approved the introduction of LEA to pay part of the fees for the primary and secondary education of eligible civil servants' children in Hong Kong.

3. The Government has all along conducted reviews of allowances payable to civil servants from time to time to ensure that these allowances are in line with present day circumstances. The Government has no longer included LEA in the package of fringe benefits available to officers offered appointment from 1 June 2000. For eligible civil servants who were offered appointment before 1 June 2000, as LEA was offered under their terms of appointment, the Government has to abide by the contractual obligations and their eligibility for LEA remains intact. As at 31 December 2020, around 66 000 civil servants were eligible for LEA.

4. Following a comprehensive review conducted on the fringe benefit type of allowances for the civil service, the FC approved in 2006 the freezing of the ceiling rates for LEA with no further adjustment. This arrangement has been adopted since then. The other rules for applying for the allowance (including the ceiling rates, duration of subsidy, age and number of eligible dependants) have remained unchanged. Please refer to **Annex** for details of the rules for claiming LEA.

CONSIDERATIONS

5. The Government has all along been putting in place policy to support youth integration into the overall national development, and has been implementing measures to facilitate Hong Kong students to study in the Mainland as well as encourage them to participate in various internship programmes and exchange activities in the Mainland. National policies stress the importance of fully utilising major co-operation platforms among Guangdong, Hong Kong and Macao to attract more young people from Hong Kong and Macao to study, work and live in the Mainland, so as to facilitate wider exchanges and deeper integration among the youths in these regions, thereby strengthening their sense of belonging to the motherland. Hence, the Government will continue to add momentum to launch different projects to facilitate youth exchange between the two places, enhance our youth's understanding of our country, so as to better prepare them for their active integration into the overall national development.

6. The quality of education in the Mainland has been improving. Studying in the Mainland also helps Hong Kong students gain first-hand experience of the development of our country in such aspects as culture, economy, education, science and technology, etc., enrich their life-wide learning experience, and helps them understand the opportunities and challenges brought about by the country's development for Hong Kong, as well as bring about great benefits for them when they join the work force in the future. In view of the above, some Hong Kong students have chosen to study in the Mainland in recent years, including children of civil servants.

7. Taking into account the above, on the premise of the eligibility criteria and ceiling rates for the existing LEA will remain intact, we hope to provide civil servants who are eligible for LEA with another option when considering their children's place of study. We propose to expand the scope of LEA to cover primary and secondary education in the Mainland, and rename it as "Mainland and Local Education Allowance" (MLEA) so that civil servants who are eligible for LEA can apply for education allowances in respect of their children's primary and secondary education in Hong Kong or in the Mainland.

DETAILS OF THE PROPOSAL

8. The eligibility for MLEA will follow the existing arrangement for LEA, that is, all civil servants currently eligible to claim LEA (i.e. those who were offered appointment before 1 June 2000) will be eligible to claim MLEA to pay part of the fees for the primary and secondary education of their children in Hong Kong or in the Mainland. The existing ceiling rates of the allowance will remain

intact, i.e. up to 75% of the school fee¹ subject to specified maximum rates, with no further adjustments in the future.

	<u>Maximum rates per academic year per child</u> (HK\$)
Primary Schools	29,925
Secondary Schools – Form I to III	49,650
Secondary Schools – Form IV and above	46,313

9. The remaining arrangements under the LEA scheme will continue to apply². As for the schools attended by the applicants' children, they must be recognised by the Ministry of Education or relevant authority in the Mainland.

FINANCIAL IMPLICATIONS

10. The actual expenditure for MLEA in respect of studies in the Mainland will be subject to, amongst others, the actual number of applicants, whether the applicants have been claiming LEA for their children, the education expenses to be incurred, etc. As such, it is difficult to indicate precisely at this stage the financial implications concerned. Given the eligibility criteria and ceiling rates for the existing LEA will remain intact under the proposal and based on the initial reaction of the staff sides, the rough estimation is that there may be about 200 related applications each year. On the basis of this indicative estimation and the assumption that such applicants are not existing recipients of LEA, it is estimated that the additional expenditure on MLEA would be about \$15 million in the 2021-22 financial year³. For subsequent financial years, we shall include sufficient provision in future Estimates.

¹ For LEA, "fee" means the particulars of the inclusive fee printed on a certificate in the specified form issued by the Permanent Secretary for Education to the management authority of a school. If the inclusive fee includes money charged for providing housing or lodging accommodation in respect of a pupil at a boarding school, the money so charged shall be separately identified in the particulars printed on the certificate issued. MLEA will adopt similar arrangements and the relevant details will be announced later.

² In line with the existing arrangement, eligible civil servants must submit the application/claim for MLEA within six months after the end of the month in which the academic year ends. If the proposal is supported by the LegCo within the 2020-21 legislative session, eligible civil servants should have ample time to claim allowances in respect of the fee incurred for the 2020/21 academic year.

³ The estimation has covered the relevant applications/claims for MLEA in respect of studies in the Mainland for the 2020/21 and 2021/22 academic years.

CONSULTATION

11. We have consulted the staff sides of the four Central Consultative Councils⁴ as well as the three advisory bodies on civil service salaries and conditions of service⁵ on the proposal and they are generally in support of the proposal. Other views from the staff sides include (a) to review the ceiling rates for LEA; (b) to extend the eligibility for MLEA to cover civil servants offered appointment on or after 1 June 2000 or allow them to apply for a separate “Mainland Education Allowance”; and (c) to provide other associated benefits/allowances such as medical benefits or subsidies on travelling for those studying in the Mainland. Given the substantial policy changes to be involved and long-term financial commitments to be incurred, we do not have any plans to accede to these suggestions at present.

WAY FORWARD

12. Subject to Members’ views, we plan to consult the FC within the 2020-21 legislative session on the proposed expansion of scope of the LEA and the additional funding requirement with a view to implementing the proposed arrangements as soon as practicable within this year.

ADVICE SOUGHT

13. Members are invited to give views on the proposals and way forward set out in the paper.

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⁴ Namely the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Police Force Council and the Disciplined Services Consultative Council.

⁵ Namely the Standing Commission on Civil Service Salaries and Conditions of Service, the Standing Committee on Disciplined Services Salaries and Conditions of Service, as well as the Standing Committee on Directorate Salaries and Conditions of Service.

**The Prevailing General Rules for Claiming
Local Education Allowance (LEA)**

Eligibility	Civil servants who joined the civil service in response to an offer dated before 1 June 2000 and they are not in receipt of similar benefits under their spouses’ terms of employment.									
Ceiling Rates	Up to 75% of the school fee, subject to the following specified ceiling rates – <table><tr><td></td><td><u>Maximum rates per academic year per child (HK\$)</u></td></tr><tr><td>Primary Schools</td><td>29,925</td></tr><tr><td>Secondary Schools – Form I to III</td><td>49,650</td></tr><tr><td>Secondary Schools – Form IV and above</td><td>46,313</td></tr></table>			<u>Maximum rates per academic year per child (HK\$)</u>	Primary Schools	29,925	Secondary Schools – Form I to III	49,650	Secondary Schools – Form IV and above	46,313
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Primary Schools	29,925									
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Schools List	Eligible children should attend schools included in the Approved Schools List issued by the Permanent Secretary for Education. Where a primary or secondary school is not included in the Approved Schools List, it should be subject to certification by the Permanent Secretary for Education that the school is of an acceptable educational standard.									
Period of claim	The duration of primary and secondary education of his/her children in an approved school up to the end of the accounting period during which the eligible child reaches the age of 19, or until the officer leaves the service, whichever is earlier.									
Number of eligible dependants	Eligible civil servants may claim the allowance at any one time for up to four children.									
Deadline for Submitting Claims	An application/claim for the allowance has to be submitted within six months after the end of the month in which the academic year ends.									