

Collection and Seniority Settlement for **Severance Payment** by Faculty and Staff Members (**Severance**)

	Benefits	Contributions	Collection of Severance Payment	Seniority Settlement (Note 1)	If you teach at another private school in the future, how will your seniority/Retirement and Compensation Fund be integrated /calculated?	Legal Basis
<b>Severance</b>	<p><b>Retirement and Compensation Fund</b></p> <p>1. <b>Old System:</b> On or before December 31, 2009</p> <p>2. <b>New System:</b> On or after January 1, 2010 (Managed by CTBC Bank Co., Ltd.)</p>	<p><b>Old System:</b> The Retirement and Compensation Fund is calculated based on the years of service.</p>	<p>Choosing to collect the payment: (The fund accumulated under both the old and new systems)</p>	<p>The seniority (accumulated under both the old and new systems) should be paid off.</p>	<p>Resignation / Severance / Retirement</p> <p>1. The seniority accumulated at the previous school has been paid off.</p> <p>2. After you are recruited and appointed by another school, the seniority should be counted beginning from the date of assumption of duty, and the new system should apply.</p>	<p>Article 23 of Act Governing the Retirement, Bereavement Compensation, Discharge with Severance Pay Benefits for the Teaching and Other Staff of School Legal Persons and Their Respective Private School(s)</p>
		<p><b>New System:</b> 1. Personal Contribution 2. Contribution by Schools 3. Contribution by the Government</p>	<p>Choosing not to collect the payment now:</p> <p>1. The fund accumulated under both the old and new systems</p> <p>2. If you choose not to collect the payment now, you are not entitled to receive the payment <b>until you reach the age of 60.</b></p>	<p>The seniority (accumulated under both the old and new systems) should be paid off.</p>		<p>Article 25 of Act Governing the Retirement, Bereavement Compensation, Discharge with Severance Pay Benefits for the Teaching and Other Staff of School Legal Persons and Their Respective Private School(s)</p>

<b>Government Employee and School Staff Insurance (GESSI) – Old-Age Benefit</b> (Dept. of Government Employee Insurance, Bank of Taiwan)	1. Personal Contribution 2. Contribution by Schools 3. Contribution by the Government	Choosing to collect the payment	The seniority should be paid off.	Resignation / Severance / Retirement	The seniority accumulated at the previous school has been paid off, and the seniority should be counted beginning from the date of assumption of duty at another school ( <b>Note 3</b> ).	Article 67 of Enforcement Rules of Civil Servant and Teacher Insurance Act
		Choosing not to collect the payment now: You have to apply to the last employer for collecting the payment <b>within ten years</b> of the date of withdrawal from the GESSI.	The seniority will be reserved.	Resignation / Severance / Retirement	The seniority will continue.	Article 67 of Enforcement Rules of Civil Servant and Teacher Insurance Act

Note 1: The old system applies to the seniority accumulated on or before December 31, 2009, while the new system applies to the seniority accumulated on or after January 1, 2010.

Note 2 Pursuant to Article 16 of the Civil Servant and Teacher Insurance Act, **the old-age benefit shall be given** to the insured who a) retires in accordance with the law, b) is laid off or c) has paid the insurance premiums for **fifteen years, and withdraws from the Insurance at the age of fifty-five or older**.

Note 3: For the insured who has retired in accordance with the law and received the old-age benefit from the GESSI, if he/she returns to the original position and re-takes out the GESSI after the enforcement of the amendments to the Civil Servant and Teacher Insurance Act dated June 1, 2014, he/she should pay 67.5% of the GESSI premiums every month, while the rest of the premiums (32.5%) are paid by the school where he/she works.

Note 4: The amount of the **Retirement and Compensation Fund** contributed every month is equal to 12% of a faculty/staff member's monthly salary. The monthly premiums for **GESSI Old-Age Benefit** are equal to 8.25% of a faculty/staff member's monthly salary.

Note 5: Contribution Percentage: 35% by individuals, 32.5% by the school, and 32.5% by the government.

Collection and Seniority Settlement for **Resignation Payment** by Faculty and Staff Members (**Resignation**)

	Benefits	Contributions	Collection of Resignation Payment	Seniority Settlement	If you teach at another private school in the future, how will your seniority/Retirement and Compensation Fund be integrated/calculated?		Legal Basis
<b>Resignation</b> (Note 2)	<b>Retirement and Compensation Fund Old System:</b> On or before December 31, 2009	The Retirement and Compensation Fund is calculated based on the years of service.	The payment cannot be collected.	The seniority will be reserved.	Resignation	No Retirement and Compensation Fund under the old system can be applied for.	Article 24 of Act Governing the Retirement, Bereavement Compensation, Discharge with Severance Pay Benefits for the Teaching and Other Staff of School Legal Persons and Their Respective Private School(s)
	<b>Retirement and Compensation Fund New System:</b> On or after January 1, 2010 (Managed by CTBC Bank Co., Ltd.)	1. Personal Contribution 2. Contribution by Schools 3. Contribution by the Government	Choosing to collect the payment	The seniority should be paid off.	Severance/Retirement	1. You may apply for the Retirement and Compensation Fund under the old system. 2. The seniority accumulated at the previous school can be calculated together with that accumulated at the new school.	
	<b>Retirement and Compensation Fund New System:</b> On or after January 1, 2010 (Managed by CTBC Bank Co., Ltd.)	1. Personal Contribution 2. Contribution by Schools 3. Contribution by the Government	Choosing to collect the payment	The seniority should be paid off.	Resignation/Severance/Retirement	1. The seniority has been paid off. 2. After you are recruited and appointed by another school, the seniority should be counted beginning from the date of assumption of duty, and the new system should apply.	Articles 24 and 25 of Act Governing the Retirement, Bereavement Compensation, Discharge with Severance Pay Benefits for the Teaching and Other

		Choosing not to collect the payment now: 1. The Retirement and Compensation Fund under the new system 2. You are not entitled to receive the payment <b>until you reach the age of 60.</b>	The seniority will be reserved.	Resignation/ Severance/ Retirement	1. The seniority accumulated at the previous school can be calculated together with that accumulated at the new school. 2. The seniority accumulated under the new system will continue.	Staff of School Legal Persons and Their Respective Private School(s)
<b>Government Employee and School Staff Insurance (GESSI) – Old-Age Benefit</b> (Dept. of Government Employee Insurance, Bank of Taiwan) © See <a href="#">Note 2</a> for application requirements.	1. Personal Contribution 2. Contribution by Schools 3. Contribution by the Government	Choosing to collect the payment	The seniority should be paid off.	Resignation/ Severance/ Retirement	The seniority should be counted beginning from the date of assumption of duty at another school (Note 3).	Article 67 of Enforcement Rules of Civil Servant and Teacher Insurance Act
		Choosing not to collect the payment now: You have to apply to the last employer for collecting the payment <b>within ten years</b> of the date of withdrawal from the GESSI.	The seniority will be reserved.	Resignation/ Severance/ Retirement	The seniority will continue.	Article 67 of Enforcement Rules of Civil Servant and Teacher Insurance Act

Note 1: The old system applies to the seniority accumulated on or before December 31, 2009, while the new system applies to the seniority accumulated on or after January 1, 2010.

Note 2 Pursuant to Article 16 of the Civil Servant and Teacher Insurance Act, **the old-age benefit shall be given** to the insured who a) retires in accordance with the law, b) is laid off or c) has paid the insurance premiums for **fifteen years, and withdraws from the Insurance at the age of fifty-five or older.**

Note 3: For the insured who has retired in accordance with the law and received the old-age benefit from the GESSI, if he/she returns to the original position and re-takes out the GESSI after the enforcement of the amendments to the Civil Servant and Teacher Insurance Act dated June 1, 2014, he/she should

pay 67.5% of the GESSI premiums every month, while the rest of the premiums (32.5%) are paid by the school where he/she works.

Note 4: The amount of the **Retirement and Compensation Fund** contributed every month is equal to 12% of a faculty/staff member's monthly salary. The monthly premiums for **GESSI Old-Age Benefit** are equal to 8.25% of a faculty/staff member's monthly salary.

Note 5: Contribution Percentage: 35% by individuals, 32.5% by the school, and 32.5% by the government.

# Act Governing the Retirement, Bereavement Compensation, Discharge with Severance Pay Benefits for the Teaching and Other Staff of School Legal Persons and Their Respective Private School(s)

Please visit the Laws and Regulations Retrieving System of the Ministry of Education for more details.

Website: <http://edu.law.moe.gov.tw/EngLawQuery.aspx>

Chapter V Severance and Resignation	
Article 22	<p>If any of the circumstances listed below pertain to a staff member, and that person does not meet the conditions for retirement, the private school may carry out the procedures to pay the staff member severance in accordance with applicable laws and regulations. However, severance to a principal (president) shall be paid by the school foundation; when necessary, the school authority may order it to make payment.</p> <ol style="list-style-type: none"><li>1. No work is available for the staff member in his or her current position and no other appropriate job is available, because of adjustments to departments, graduate institutes, subjects, divisions, or curricula, or reduction in the number of classes, suspension of operations, or dissolution of the school.</li><li>2. The staff member is unable to competently perform his or her duties because of physical or mental disability, verified by a certificate issued by a hospital that meets or exceeds the hospital assessment standards set by the central competent health authority.</li><li>3. The quality of the staff member's work in his or her current position, as reviewed and verified by the school's instructor evaluation committee, consistently fails to meet teaching standards.</li><li>4. The staff member has been placed under a declaration of guardianship (or before 22 November, 2009, placed under a declaration of interdiction) or a declaration of assistance, which has not been voided.</li></ol>
Article 23	<p><b><u>Staff severance payments shall be calculated using the standard for lump-sum payments.</u></b></p>
Article 24	<p><b><u>A staff member who resigns without meeting the requirements for retirement or severance pay may collect the principal and interest in his or her individual Retirement and Compensation Fund in a lump sum.</u></b> However, a staff member who has exploited an opportunity offered by his or her position to commit a crime and has been convicted and sentenced may collect only the principal and interest from his or her own contributions to the Fund.</p> <p>If during his or her period of employment, a staff member exploits an opportunity offered by his or her position to commit a crime, as referred to in the provision of the preceding paragraph, and if the person has been convicted and sentenced only after a pension or severance pay has already been paid to the staff member in accordance with the provisions of this Act, the staff member shall pay back the principal and interest paid to him or her from the contributions of the private school and the school authority.</p>

	<p>With the exception of any person who has exploited an opportunity offered by his or her position to commit a crime and has been convicted and sentenced, as referred to in the preceding paragraph, <b><u>a staff member who meets the requirements for a pension or severance pay is entitled to refrain from collecting his or her duly approved pension or severance pay, in which event, upon the date the person reaches the age of 60, the Fund Management Committee will pay the principal and interest of any resignation or severance pay that the person has not yet collected, or the person may be enrolled in annuity insurance by the application, mutatis mutandis, of Paragraph 3 of Article 20.</u></b></p>
Article 25	<p>If a person referred to in the preceding paragraph dies before reaching the age of 60, the principal and interest of any resignation or severance pay that the person has not collected shall be paid by the Fund Management Committee to the person's survivors in a lump sum. The handling of the scope, order, and proportional claims of the survivors referred to in paragraph 1 shall be governed by the Civil Code.</p> <p>The handling of the scope, order, and proportional claims of survivors of a person who has been enrolled in annuity insurance referred to in Paragraph 1 shall be as stipulated in the annuity insurance contract; if no provision is made in the contract, the handling of such matters shall be governed by the Civil Code.</p>

## Enforcement Rules of Civil Servant and Teacher Insurance Act – Old-Age Benefit

Please visit the Laws & Regulations Database of the Republic of China for more details.

<http://law.moj.gov.tw/Eng/>