ITC STEM Internship Scheme City University of Hong Kong

Appendix 2 - Important Notes on Allowance and Financial arrangements

- The allowance for the internship of each student intern is HK\$11,190 per month (i.e. for the purpose of calculating allowance under the Scheme, one month has 30 days) with effect from 1 April 2023, capped at three months (i.e. 90 days, maximum at HK\$33,570) in one academic year (i.e. 1 September to 31 August of the following year). The allowance will be disbursed to student interns via CityU directly.
- The agreed remuneration to be paid and received by the student intern, including salary, wage and any expected allowance, including the allowance under the Scheme, where applicable, should be <u>clearly stated in the employment agreement for the internship</u> and agreed between the employer and the intern, before commencement of work.
- Unless the student applicants have obtained the corresponding documents by relevant authorities and statutory declaration as applicable as "Student Intern" or "Work Experience Student" for exemption of minimum wage requirement before the commencement of internship, Minimum Wage Ordinance (the Ordinance) applies to internships under the Scheme and employers should pay the student intern with salary no less than the Statutory Minimum Wage rates as specified in the Ordinance for the whole period of employment, regardless of the allowance to be disbursed to student interns via CityU under the Scheme.

Statutory Minimum Wage does not apply to the "Student Interns" and "Work Experience Students during a period of exempt student employment" under the Minimum Wage Ordinance. Employers in Hong Kong should observe the relevant requirements under the Minimum Wage Ordinance (Cap. 608) unless the student intern is eligible to work as a "Student Intern/Work Experience Student" under the Minimum Wage Ordinance, and has already obtained the respective exemptions of minimum wage requirement upon obtaining corresponding declaration and/or endorsement by relevant authorities before the commencement of internship as stipulated below:

a. Student Interns

While STEM internship should not be arranged to meet the compulsory requirement for graduation of a degree programme, it can be used for fulfilling <u>elective component</u> <u>of a full-time degree programme</u>.

In the latter case, the student should complete the <u>Confirmation of Student Status</u> for "Student Intern", seek endorsement from their home College/School to confirm their status of "<u>Student Intern</u>" under the Minimum Wage Ordinance for exemption of minimum wage requirement, and provide the document to the employers. Statutory Minimum Wage (SMW) would not be applied to endorsed "Student Interns".

Age and Duration of Internship

- o no restriction on age; and
- no restriction on duration of internship

b. Work Experience Students

If the STEM Internship is NOT an elective component of the full-time degree programme, the student may apply for the status of "Work Experience Student" under the Minimum Wage Ordinance for the exemption of minimum wage requirement of a period up to the 59th day of internship work.

Student should complete the <u>Confirmation of Student Status for "Work Experience Student"</u>, obtain <u>the statutory declaration</u> through <u>Home Affairs Enquiry Centre</u>, seek endorsement from the student applicant's home College/School, and provide these documents to the employers before the commencement of internship.

In this case, from the 60th day onwards, the Employer will need to fulfil the minimum wage requirement under the prevailing legislation, and pay the Work Experience Student interns no less than the minimum wage for the period of employment beyond the continuous period of the 59-day employment. For details, please refer to here.

Age and Duration of Internship

- o under the age of 26 years at the beginning of employment; and
- o the student employee and his employer may agree to treat a continuous period of up to 59 days as exempt student employment; and at most one period of exempt student employment may commence in the same calendar year (regardless of whether the employment is with the same employer or not). Also, the student employee has to make a statutory declaration verifying this fact and provide the declaration (or copy) to the employer

Points to Note

o The exemption from Statutory Minimum Wage does not apply if a work experience student has not agreed with the employer to treat a certain period as a period of exempt student employment.

c. Student applicants who have NOT successfully declared as "Student Intern / Work Experience Student"

If the student applicant is <u>NOT successfully declared as "Student Intern / Work Experience Student"</u>, Minimum Wage Ordinance applies and the <u>Employers should</u> pay the student intern with salary no less than the Statutory Minimum Wage rates as specified in the Ordinance since the commencement of internship, regardless of the allowance provided under the Scheme.

In other words, neither the "Student Interns" nor the "Work Experience Students" statuses should be presumed without the corresponding declaration documents and employers should ensure the Minimum Wage Ordinance is observed as legally required in the employment contract formed under this Scheme.

We therefore strongly encouraged ALL participating employers to check with the student interns appointed regarding their relevant status before the internships begin.

For details, please refer to Minimum Wage Ordinance (Cap. 608), Labour Department's website and Notes from Labour Department on Statutory Minimum Wage.