

#### 4: Public Servants who are Volunteering Overseas

Public servants who are serving as development workers may be able to get their Public Service Pension Scheme (PSPS) contributions paid if they are serving for a minimum of six consecutive months (up to a maximum of two years) while they are on assignment in a developing country.

To qualify, the applicant must already be a member of a PSPS at the start of their assignment, be on an assignment that is co-funded by Irish Aid, and be on an authorised leave of absence or career break.

The responsibility for ensuring that the development worker's pension paying authority invoices Comhlámh rests with the development worker who must ensure that all claims for payment are made within twelve months of the qualifying service.

*The application form and accompanying instructions can be downloaded from [www.comhlamh.org](http://www.comhlamh.org). For more information please contact Comhlámh.*

#### 5: Development Workers who are members of an Occupational Pension Scheme

Development Workers who are currently a member of an occupational pension scheme are advised to consider the implications of being an "early leaver" and to take advice on how the pension entitlements that they have built up can be best protected.

Since 1991 (under the Pensions Act 1990) entitlements earned since this date can be preserved in the Scheme a person is leaving; or transferred to a new Scheme; or transferred to a policy or contract with an insurance company. These provisions were further extended in 1992.

The preservation and transfer of benefits is complex but is important for development workers who wish to ensure that they have an adequate income in retirement and it is important for them to ensure that they seek information to decide what provision they may need to make when leaving an occupational pension scheme.

In the first instance, a development worker should be directed to their scheme administrator who should be able to answer queries or concerns about their own individual entitlements.

The Pensions Board also has staff available to answer queries and to supply further information.

*Please contact: The Pensions Board, Verschoyle House, 28/30 Lower Mount Street, Dublin 2. Tel: 01 613 1900. [www.pensionsboard.ie](http://www.pensionsboard.ie). [pb@pensionsboard.ie](mailto:pb@pensionsboard.ie).*

*Disclaimer: Please note that this information is for general information purposes only. It should not be considered a substitute for advice considering any specific situation.*



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# Social Insurance and Pensions for Development Workers

## Guidance for Sending Agencies



## 1: Introduction

It is important that development workers maintain, as far as possible, their social insurance record and keep their record active when leaving the workforce in Ireland.

There are a wide range of benefits available to people who have paid social insurance. However, it may not be possible to make up gaps in the future and if it is, it may be expensive. Significant gaps in a volunteer's social insurance record can result in reduced social welfare payments or worse, no qualification under contributory schemes.

This leaflet gives a brief introduction to PRSI followed by information about three options that may be open to development workers to maintain their record while they are overseas and gives further information specific to public servants as well as volunteers who may be leaving an occupational pension scheme.

Please note that the term 'development worker' and 'volunteer' is used interchangeably throughout and the information herein applies to those defining themselves as either.

## 2: PRSI and Social Insurance

PRSI stands for Pay Related Social Insurance and is payable by employers, employees and self-employed people on earnings. In general, everyone between 16 and 66 years of age, who is employed in Ireland under a contract of service must pay PRSI.

If you are an employee, your social insurance contributions are deducted by your employer and collected by the Revenue Commissioners. In fact, the law makes your employer responsible for PRSI, though you may have to pay an 'employee's share'.

PRSI is paid into the national Social Insurance Fund that is made up of a current account and an investment account managed by the Minister for Social and Family Affairs and the Minister for Finance, respectively.

All records of your insurance contributions are kept and managed by the Department of Social and Family Affairs. The Department is responsible for the benefits payable made as a result of your social insurance contributions.

Credited contributions (Credits) are social insurance contributions that are awarded by the Department of Social and Family Affairs to an insured person without a PRSI payment being received from the insured person. Credits are recorded on your social insurance record.

The purpose of Credits is to help protect the social insurance entitlements of insured persons during periods when they may not be in a position to pay contributions.

## 3: Options for development workers to maintain their social insurance record

### a. Volunteer Development Worker Scheme

The Volunteer Development Worker (VDW) Scheme has been put in place by the Department of Social and Family Affairs to protect the social welfare rights of volunteer development workers working in developing countries by awarding them a VDW Credit for each week they are on assignment overseas up to a maximum of 5 years in total. VDW Credits can help development workers qualify for certain social welfare benefits (such as Jobseekers Benefit, Illness Benefit, Maternity Benefit, Treatment Benefit and Disability Benefit) and pensions after returning from assignment.

To apply for the VDW scheme, a development worker needs to complete the PRSI 15 application form found at the back of the SW 15 information booklet which should be returned to their sending agency to counter-sign and forward to Comhlámh.

It is extremely important that you (or the development worker) inform Comhlámh immediately when they return as VDW Credits are not awarded until this notification and without it the development worker's entitlement to social welfare payments may be delayed.

The application form and information booklet including a list of qualifying conditions is downloadable from [www.welfare.ie](http://www.welfare.ie).

**For further information contact Comhlámh, 2nd Floor, Ballast House, Aston Quay, Dublin 2. Telephone: 01 478 3490. [stuart@comhlamh.org](mailto:stuart@comhlamh.org).**

### b. Retaining a Development Worker on the Irish System as a Posted Worker

A development worker can be retained on the Irish Social Insurance system as a posted worker by their sending agency providing that the sending agency is based here and that the development worker remains under the direct control of the agency for the duration of the posting. By being posted overseas, the development worker can pay PRSI contributions in Ireland which means that their right to Irish Social Insurance benefits are preserved while they are on assignment abroad.

Normally a development worker can be retained on the Irish social insurance system for up to 12 months but this can be extended to cover a longer period.

Further details about retaining development workers on the Irish System can be obtained from the Special Collection Section, Social Welfare Services Office, Cork Road, Waterford who administer retaining development workers. Telephone: 051 356 010/051 356 011.

### c. Voluntary Contributions

Development workers who are not eligible for the VDW Scheme (or have reached their maximum of 5 years of VDW Credits) or are not retained on the Irish System may opt to pay Voluntary Contributions. Voluntary Contributions cover for long-term benefits such as pensions, but not short-term benefits such as those for illness, unemployment, maternity, occupational injuries, and dental and optical treatment.

There are strict time limits for paying Voluntary Contributions so it is important that a development worker who wishes to contribute checks their situation as soon as possible prior to going overseas.

To apply to pay voluntary contributions, a development worker needs to complete the VC1 application form found at the back of the SW 8 information booklet.

**The application form and booklet including a list of full qualifying conditions can be found at [www.welfare.ie](http://www.welfare.ie). For further information contact Voluntary Contributions Section, Department of Social and Family Affairs, Cork Road, Waterford. Telephone: 1850 690 690. [volcons@welfare.ie](mailto:volcons@welfare.ie).**