

Information for recruiting organisations

This factsheet gives general information about paying Volunteer Development Worker (VDW) contributions.

What are VDW contributions?

VDW contributions are to help volunteers who carry out work in the developing world to get certain benefits when they come back to the United Kingdom (UK).

These benefits are:

- Jobseeker's Allowance
- State Pension
- Incapacity Benefit
- Maternity Allowance
- Industrial Injuries Disablement Benefit
- Bereavement benefits.

Who can pay VDW contributions?

A person can pay VDW contributions if they go to a recognised developing country with an organisation which has been approved for VDW purposes by HM Revenue & Customs (HMRC), provided they are:

- ordinarily resident in the UK, and
- not liable for UK Class 1 National Insurance contributions (NICs).

They can also pay VDW contributions if they are liable for Class 1 NICs but their earnings do not reach the threshold on which contributions are actually payable.

However, Class 1 National Insurance (NI) liability will exist for the first 52 weeks of their overseas placement if all of the following conditions are met:

- they are employed or are volunteers who receive a financial allowance which is large enough to be above the threshold for paying UK NICs
- the employer or voluntary organisation has a place of business in the UK
- the person was resident in the UK immediately before their placement began, and
- the person is ordinarily resident in the UK for NI purposes.

When would VDW payments start?

Usually a volunteer will pay VDW contributions from the Sunday after they leave the UK until the Saturday before they come back.

If the volunteer is liable for Class 1 UK NICs this liability must be met before they can pay VDW contributions. They will then be able to pay VDW contributions from the Sunday after their period of liability ends.

More information about Class 1 NI liability can be found in leaflet NI38 which you can download from our website www.hmrc.gov.uk/leaflets/c9.htm

Approved organisations

A list of approved organisations can be found on our website, go to www.hmrc.gov.uk/manuals/nimmanual/nim34015.htm

If your organisation is not on our list and you would like it to be added then let us know and we will tell you how to apply.

Recognised developing countries

A list of recognised developing countries can be found on our website, go to www.hmrc.gov.uk/manuals/nimmanual/nim34020.htm

Further information

If you need more information about VDW you can phone International Caseworker on **+44(0)191 2259202**.

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information go to www.hmrc.gov.uk/charter

Special Services

We have a range of services for people with disabilities, including guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact us on any of your phone Helplines if you need these services.

What about training and leave?

A volunteer may need training before they start their placement and this might not take place in a recognised developing country. As long as the training is arranged by the voluntary organisation, they can still pay VDW contributions.

Depending on the circumstances and the length of time involved VDW contributions can also be paid for periods of accumulated leave, even if this is taken at the end of their placement and in a country not on the recognised developing countries list.

How to apply

Once your organisation has been added to our approved list your volunteers can apply to pay VDW contributions by completing form CF83 *Application to pay National Insurance contributions abroad* which can be downloaded from our website www.hmrc.gov.uk

They should then pass the completed form CF83 *Application to pay National Insurance contributions abroad* to you so you can note your records and then send it to us. We will write to you and tell you if their application has been accepted or not, and tell you when VDW contributions should be paid from.

How to pay

You should pay by annual schedule.

We will send you form CA3803 every year after we receive your payment for the last tax year. You need to complete it to show each volunteer who has been accepted to pay VDW contributions.

It needs to show their name, National Insurance number, and the number of contributions you are paying for.

If they started or left your organisation during the year you are paying for, please tell us the dates.

You can use your own version of form CA3803 but it needs to include all of the information we ask for on our version.

We will tell you how much VDW contributions cost for the next year when we send you form CA3803.

A cheque for the total amount on your list should be sent to us with your completed form CA3803 after the tax year you have paid for has ended and before 1 July.

Time limits for payment

There are time limits for VDW contributions.

If a VDW payment is not made within one year of the end of the tax year the payment is for, the rate will increase. The amount that is due to be paid will increase each year after that.

We can only accept payments for six years after they are due.

VDW payments will only count for Incapacity Benefit and Jobseeker's Allowance from six weeks after they were paid.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any rights of appeal. Any subsequent amendments to these notes can be found at www.hmrc.gov.uk

Customer Information team

April 2011 © Crown copyright 2011