

Working for an International Organisation in the Netherlands

(and how it affects you)

Introduction

This booklet has been developed to provide information on the effect that taking up employment with an International Organisation will have on a Dutch citizen or permanent resident. Please consider it to be informative and not legally binding. Should you require more information on any subject, please take the necessary steps to obtain this information from the relevant institution, e.g. the Dutch tax authorities, Sociale Verzekeringsbank, your health insurance provider, etc.

From experience, we are aware that taking up employment with an International Organisation, and therefore 'leaving' the Dutch system, has an impact on one's personal status in the Netherlands. In an ideal world, anyone in such a situation would be aware of the impact, but realistically it is quite difficult to obtain all the information, especially when you get offered a job, you need to return the acceptance letter a.s.a.p. and the information you require is scattered due to all the different offices/institutions involved. It is easy to overlook one or more of the aspects that your decision might have on your personal status.

The objective of this booklet is, therefore, to guide and assist you.

Social Security

Anyone who lives in the Netherlands is, by law, covered by the 'Volksverzekeringen' (peoples insurances). Furthermore, anyone who is employed in the Netherlands (and consequently pays income tax) is covered by these insurances.

However, staff members of the OPCW and most other international organisations are excluded from the 'Volksverzekeringen' coverage by virtue of their Headquarters Agreements (OPCW excerpt below). Furthermore, family members forming part of the household of the staff member are also exempt from coverage, unless they are employed in the Dutch system or are in receipt of a social security benefit from the Dutch system.

Agreement between the Organisation for the Prohibition of Chemical Weapons (OPCW) and the Kingdom of the Netherlands concerning the Headquarters of the OPCW (*Trb. 1997, 114*)

Article 22. Social Security

1. For the social security scheme established by or conducted under the authority of the OPCW, the OPCW and the officials of the OPCW to whom the above mentioned scheme applies shall be exempt from all compulsory contributions to the social security organistaion of the Kingdom of the Netherlands. Consequently, they shall not be covered by the social security regulations of the Kingdom of the Netherlands.
2. Any provident fund established by or conducted under the authority of the OPCW shall enjoy legal capacity in the Kingdom of the Netherlands if the OPCW so requests and shall enjoy the same exemptions, privileges and immunities as the OPCW itself.
2. The provisions of paragraph 1 of this article shall apply, *mutatis mutandis*, to spouses and dependent relatives forming part of the households of the persons referred to in paragraph 1 of this Article, unless they are employed in the Kingdom of the Netherlands by an employer other than the OPCW or receive Netherlands social security benefit.

Staff members and their family members are excluded because they are covered under their Organisations' social security schemes. The exclusion, as described above, has an impact on social security coverage, as the Organisations' social security schemes are not the same as the Dutch. The coverage of family members under the Organisations' social security schemes is not the same as the coverage for the Organisations' staff members, therefore their exclusion from the Dutch system has a greater affect on them.

Please consider how the change in social security scheme may affect you and your family.

Kinderbijslag (Child Benefit)

The 'Algemene Kinderbijslagwet' (AKW) provides that all people who work and/or live in the Netherlands are eligible for the payment of a subsidy for children in their household under the age of 16. This subsidy is also available for children between the ages of 16 and 18 if they are in full-time education, unemployed or unfit for work and their income does not exceed an established amount.

In general, most Dutch citizens who have children under the age of 18 years receive this subsidy.

Taking up employment with an International Organisation may affect your eligibility for this subsidy (due to the social security scheme of the International Organisation) and it is important that you check with the relevant institutions to determine if your eligibility is affected.

- When the partner/spouse of an international civil servant **is contributing to the Dutch social security scheme** by means of his/her employment, the combined household may claim the Kinderbijslag.
- When the partner/spouse of an international civil servant is not employed in the Dutch system, therefore not contributing to the Dutch social security scheme, the combined household **may not** claim the Kinderbijslag.

Please be aware that the Sociale Verzekerings Bank (SVB) requires people in receipt of the Kinderbijslag to report any changes in personal circumstances to them within 4 weeks. These changes could include, but are not limited to, for example, new born baby, marriage, divorce, **start or cessation of employment at an International Organisation**, etc. Furthermore, this obligation is mandated by national law and thus the responsibility of the Dutch staff member. The International Organisation will not contact the SVB.

***NB** Please be careful when applying for the Kinderbijslag as not all employees of the SVB (Sociale Verzekerings Bank, the institution responsible for Kinderbijslag) are aware of the special status of employees of an International Organisation. This might result in a payment of Kinderbijslag which will have to be recovered and an administrative fine could be imposed.*

Algemene Ouderdoms Wet (state pension)

AOW was created in the 1950's to provide Dutch nationals with an income after retirement age, separate from their private pension, and it is accumulated during employment throughout their careers.

The AOW is subsidised from premiums paid by Dutch nationals between the age of 15 and 65 years, i.e. each year counts for 2% accrual of AOW. Someone who has been in the Dutch system between these ages, even when not employed, will have accumulated a full AOW 'pension' at the age of 65.

For each year that one has not been part of the Dutch system (e.g. working for international organisation), no accumulation of the annual 2% AOW is made. For instance, a Dutch national who worked for an international organisation for ten years will have a deduction of 20% on the AOW at retirement age.

To prevent yourself from being confronted with such a deduction at the age of 65, there is a possibility to voluntarily contribute to the AOW. This is offered by the Sociale Verzekeringsbank (SVB) and is based on your level of income. For more information please find their details below.

Health Care Insurance Coverage

The health insurance system in the Netherlands is comprised of the Exceptional Medical Expenses Act (Algemene Wet Bijzondere Ziektekosten, AWBZ) and the Health Care Insurance Act (Zorgverzekeringswet, ZVW). ZVW provides for mandatory basic health care on top of which a person could choose to take out additional coverage. The Health Care Insurance Act obligates almost all persons residing in the Netherlands to take out a basic health insurance (Basisverzekering) through a provider recognised under Dutch law.

OPCW staff members, their spouses and their dependent relatives are generally excluded from Dutch social security legislation, therefore, they **cannot** be covered through this insurance scheme unless they are gainfully employed in the Dutch system.

The OPCW offers, as mandated by the Staff Rules and Regulations, its own health insurance scheme to staff members.

Fixed-term staff members and staff on a TAC (Temporary Assistance Contract) have the option to insure their eligible family members. Family members of a staff member on a short-term contract are not eligible for insurance coverage through the Organisation's insurance scheme. (Note: the Organisation shall not contribute towards the cost of the medical insurance of family members of a staff member holding a Temporary Assistance Contract.)

Family members employed in the Netherlands or in receipt of a Dutch social security benefit are **obliged** to take out the Dutch health care insurance. Insurable family members who are covered under the Dutch mandatory health insurance have the option of taking out coverage under the Organisation's health insurance scheme. The Organisation's insurance could thus provide additional coverage to a Dutch standard package such as: international coverage, dental plan, orthodontics and homeopathic treatment, for example.

It is important to determine if the insurance status of your family members will be affected when you accept your offer of appointment. We strongly advise you, if they are affected, to subscribe them in the Organisation's insurance scheme. The OPCW can provide you a statement which should help to cancel your family's Dutch insurance.

Please refer to the next page for an overview.

	OPCW health insurance for self	OPCW health insurance for eligible family members
Fixed-term	yes, subsidised	yes, subsidised
TAC (Temporary Assistance Contract)	yes, subsidised	yes, unsubsidised
Short-term (More than 1 month)	yes, subsidised	no
Short-term (Less than 1 month)	Only covers urgent medical attention	no

The insurable family members referred to in the table above are:

- A spouse or legal partner (including a spouse/legal partner who is not considered to be a dependent)
- A staff member's partner residing in the Netherlands who has entered into a *samenlevingscontract* with the staff member
- Fixed-term staff members' dependent children who are not married and not in full-time employment are entitled to coverage until the end of the calendar year in which they reach the age of 25 years old
- A secondary dependent of a staff member on a fixed-term contract provided that they are recognised as such by the OPCW

For more information regarding the Vanbreda health insurance, please do not hesitate to get in touch with your contact person in OPCW.

Childcare

You may currently be in receipt of a childcare subsidy if you or your partner are (or were) employed in the Dutch system.

According to communication from the Ministry of Foreign Affairs, staff of international organisations may claim a childcare subsidy from the Dutch Government (tax office) as of 1 January 2007. The subsidy is quite small for the first child, but increases considerably if you are claiming for more than one child.

For more details please consult the Tax Office (www.toeslagen.nl)

If you claim childcare from the Dutch system, you should not claim that portion of the childcare subsidy from the OPCW. Any money received from the Dutch system (or from any other source) must be reported to the OPCW and will be deducted from the OPCW childcare subsidy, and vice-versa.

As a general guideline, it is simpler and less of an administrative burden to find out which source of subsidy is more advantageous to your family circumstances, and to only claim from that single source.

The OPCW's Childcare Assistance Programme is for staff members on a fixed-term or Temporary Assistance Contract. The scale is income-sensitive; lower incomes receive a higher reimbursement. If the actual cost of attendance for a child is lower than the amount of the assistance payment applicable at the staff member's net salary level, it is the actual cost that will be reimbursed.

Eligibility arises when children are placed in an officially licensed facility within The Hague that provides day care, pre-school care, and after-school care on either a full-time or a part-time basis. The payment will be prorated for children attending on a part-time basis. Child care assistance will not be paid for in-house child care or informal child care arrangements.

The staff member shall receive a payment for each eligible child, and the amount applicable for each child shall not be affected by the number of children for whom a claim is submitted. Please refer to the table below for more detailed information.

Monthly amount to be paid by the OPCW per child

(In Euros)

Effective 1 January 2012

<i>Net monthly salary (including post adjustment where applicable) of staff member</i>	<i>Number of days per week</i>				
	1	2	3	4	5
< 2,250	246	493	739	986	1,232
2,251 - 2,500	240	480	720	960	1,200
2,501 - 2,750	229	458	687	916	1,145
2,751 - 3,000	215	431	646	862	1,077
3,001 - 3,250	204	408	612	817	1,021
3,251 - 3,500	195	391	586	781	976
3,501 - 3,750	181	363	544	726	907
3,751 - 4,000	168	337	505	673	841
4,001 - 4,250	159	319	478	638	797
4,251 - 4,500	146	291	437	582	728
4,501 +	133	266	399	532	665

Taxes

As a staff member of an International Organisation in the Netherlands, in most cases you will find that your salary will be exempt from Dutch income tax (this would normally be stated in the Headquarters Agreement of the International Organisation).

However, if you are engaged by an International Organisation but not considered to be a **staff member** of that Organisation (e.g. consultant, individual contractor) **you are solely responsible for declaring your earnings with the tax authority in your country of residence.** If you are uncertain of the type of contract that has been offered to you, please do not hesitate to inquire with your contact person of the International Organisation. In addition, should you have tax related questions, we advise you to get in touch with the Tax Office. Please state clearly that your questions is related to tax and working for an International Organisation, otherwise you may be misinformed.

It is very important to consider that not paying income tax (in the Netherlands) may also have disadvantages. For instance, a lot of home-owners in the Netherlands are taking advantage of the '**Hypotheekrenteaftrek**'. If you are not an income tax payer you cannot claim this. This will normally only affect people whose fiscal partner is also not paying Dutch income tax. If your fiscal partner is working in the Dutch System, you might still be able to claim for the 'Hypotheekrenteaftrek'. Once a year, officials of the Dutch Tax Office set up appointments with the International Organisations to assist staff members in filing their income tax.

For more information, please contact your tax office or financial advisor.

Whilst you may be exempt from paying income tax, please note that you are not exempt from paying other taxes such as municipal tax, road tax, etc.

Useful reference material

General Social Security Information:

Brochure: Stand van zaken van de sociale zekerheid 2012

<http://www.rijksoverheid.nl/documenten-en-publicaties/brochures/2012/01/04/stand-van-zaken-van-de-sociale-zekerheid.html>

Kinderbijslag (Child Allowance):

Reporting changes in personal circumstances:

http://www.svb.nl/internet/nl/regelingen/kinderbijslag/rechten_en_plichten/wijzigingen_doorgeven/index.jsp

Contact details SVB-offices:

http://www.svb.nl/internet/nl/regelingen/kinderbijslag/rechten_en_plichten/wijzigingen_doorgeven/index.jsp

Kinderopvangtoeslag (Childcare):

http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privetoelagen/informatie_over_toeslagen/kinderopvangtoeslag/

Income Tax:

Website tax office:

www.belastingdienst.nl

Centraal Bureau Internationale Fiscale Behandeling in Rijswijk (CB/IFB):

Physical Address/ Bezoekadres: Steenvoordelaan 370 2284 EH RIJSWIJK	Postal Address/ Postadres: Postbus 3080 2280 GB RIJSWIJK	Telephone/ Telefoon: (070) 372 47 93 (070) 372 48 84
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Health Insurance:

Website College voor Zorgverzekeringen:

www.cvz.nl

AOW:

Website Sociale VerzekeringsBank:

www.svb.nl