

LCR submission / Dept of Foreign Affairs & Trade staff member

Good afternoon

Please see below my contribution to the consultation on the Lifetime Community Rating.

The purpose to the Lifetime Community Rating (LCR) is, according to section 4 of the Consultation Paper, to encourage people to take out private health insurance at a younger age and to maintain cover, thereby helping to control average claims costs. With regard to staff of the Department of Foreign Affairs and Trade, most staff subject to mandatory posting outside Ireland maintain private health insurance throughout their working life. Many, including myself, have had private health insurance cover, without break, since birth. However, when I am sent abroad *by the state*, I am required to move from a domestic policy to a special policy agreed between VHI and the Department of Foreign Affairs and Trade, known as VHI Global (see www.vhi.ie/global). I, and other officers, continue to pay a premium equivalent to a middle cost policy to VHI, which in some cases is topped up by the Department, and in return the health insurance covers me for a specified region outside of Ireland. I continue to receive a salary in Ireland, from my Irish public sector employer, during the period for which I am posted outside Ireland and pay tax in Ireland. We are considered to be tax resident in Ireland. Unlike other citizens who may move abroad, the State itself considers officers assigned to Irish embassies and missions abroad to be resident in Ireland for the purposes of PAYE, PRSI, USC, income tax and voting rights.

Yet in the future, each time a diplomat (or other person posted abroad by the state, in the interests of public service – NB, not by a private company) returns to Ireland, he/she will be treated as a new entrant. In the short-term, the years of previous cover will suffice to have such a person treated as under 35. However, as the years go on, and further time is spent on posting, the balance will change. In my own case, having held VHI coverage continuously since birth until the age of 36, I am regarded as having c. 12 of qualifying coverage to date. This is because years spent paying for coverage before the age of 18 are excluded, and because I spent 7 years prior to the age of 35 posted abroad by the state, on a policy that is, despite being paid to a major Irish insurer and costing more than many domestic policies, considered not to qualify as a domestic policy.

This is invidious given that I am required to work abroad by the State and for the State, and am bound, as a member of the diplomatic service, to serve outside Ireland. This is a mandatory condition of my employment. The conduct of State business and the serving of the interests of the State requires that civil servants be deployed outside Ireland. Over the 11.5 years I have been in this job, I worked for 7.5 years outside Ireland and 5 years in Ireland. Moreover, the same public sector employer, the Department of Foreign Affairs, actually requires me to have this “VHI Global” policy for postings to certain less-developed countries. It is already ridiculous that I am effectively required to have private health coverage throughout my public sector career, as for around half of this time I will be sent outside Ireland and cannot rely on the public health system which I pay for through my taxes. I am not of the category supposedly targeted by the legislation, as I have always and will continue to always pay for private health insurance.

Moreover, the increases which I will incur in the future will last beyond the period of my employment by the state into retirement – I will be penalised for the rest of my life for serving the state outside Ireland. This also affects family members who accompany the posted staff member abroad and leave their domestic policy. It is unacceptable that I face life-long financial penalties for doing my job, as do other civil servants and their family members, in the same situation.

I submit:

- (1) That persons employed by the state and posted abroad – such as, *inter alia*, persons working for the Department of Foreign Affairs and Trade, other government departments, the Defence Forces – should be regarded as fulfilling the condition of having qualifying health insurance where they are otherwise covered by a private health insurance contract.
- (2) Alternatively, that the exemption provided for in art 5(2), allowing persons returning from outside the State after 1 May 2015, become a permanent exemption for persons posted abroad by the State, that is, such that this category of persons can take up health insurance without any penalty each time they return to Ireland.

Regards
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