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AN BILLE LEASA SHÓISIALAIGH (UIMH. 2), 1993  
SOCIAL WELFARE (NO. 2) BILL, 1993

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EXPLANATORY MEMORANDUM

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*Introduction*

The Bill provides for the introduction of an optional scheme of social insurance for people engaged in share fishing. Under the proposed scheme, people whose principal source of livelihood is derived from share fishing will have the option of paying additional special contributions which will provide insurance for Disability Benefit and Unemployment Benefit. The Bill also includes a provision relating to the keeping of records by employers and contractors.

The Bill contains 3 Parts.

*Part I (sections 1 and 2)* contains the usual provisions for short title, construction and interpretation.

*Part II (sections 3 to 10)* provides for the optional scheme of social insurance for people engaged in share fishing.

*Part III (section 11)* provides for regulatory powers under which specified employers and contractors may be required to keep certain records relating to employees and people engaged by them under a contract for service.

PART II

SOCIAL INSURANCE FOR PEOPLE ENGAGED IN SHARE FISHING

*Section 3* provides for the definitions necessary for the purposes of the scheme of social insurance for people engaged in share fishing. People who opt into the new scheme will be known as "optional contributors" and the contributions which they pay will be known as "optional contributions". For the purposes of the scheme, a person engaged in share fishing is defined as someone with an annual income of £2,500 or more whose principal means of livelihood is derived from share fishing.

*Section 4* entitles a person engaged in share fishing to opt into the new scheme subject to such conditions as may be specified in regulations, for example, on making application in the prescribed manner. This section also provides that people who opt into the scheme will be liable for a contribution of 5 per cent of their annual income up to the PRSI earnings ceiling, subject to a minimum contribution of £250 per year. Contributions will be payable with effect from the income tax year commencing 6 April, 1994 and where the annual contribution is paid in full, the optional contributor will be regarded as having paid 52 contributions in that year. *Section 4* also provides that the contributions payable will be reckonable for

Disability Benefit and Unemployment Benefit purposes and that such contributions may be used to establish entitlement to these benefits once all contributions which the person was liable to pay have been paid.

*Section 5* provides that contributions payable by optional contributors will be paid into the Social Insurance Fund.

*Section 6* extends to optional contributions existing regulatory powers under which social insurance contributions paid in error may be refunded.

*Section 7* enables optional contributors who fail to qualify for Disability Benefit because their earnings are below the prescribed amount (currently set at £70 per week) to receive reduced rate benefit related to their level of earnings. This section also provides that optional contributors will be entitled to receive Disability Benefit for a continuous period of one year and requires that in order to re-qualify for benefit, they pay contributions in respect of the income tax year following the calendar year in which they exhaust their entitlement.

*Section 8* provides that an optional contributor may qualify for Unemployment Benefit in respect of any day on which he or she is not engaged in share fishing or undertaking work associated with share fishing, such as maintenance of the fishing vessel, which he or she is required to do without pay other than by way of a share of the profits or the gross earnings of the vessel. This section also enables optional contributors who fail to qualify for Unemployment Benefit because their earnings are below the prescribed amount (currently set at £70 per week) to receive reduced rate benefit related to their level of earnings. *Section 8* also provides that a person engaged in share fishing will be entitled to Unemployment Benefit for 13 weeks in any calendar year.

*Section 9* extends to optional contributors the Pay-Related Benefit provisions currently applying in the case of systematic short-time workers. Systematic short-time workers are not entitled to Pay-Related Benefit.

*Section 10* provides that the new scheme of social insurance for people engaged in share fishing will be brought into force by way of Commencement Order.

### PART III

#### RECORDS TO BE MAINTAINED

*Section 11* provides for regulatory powers under which specified employers and contractors may be required to keep certain records relating to employees and people engaged by them under a contract for service. This section also provides that the regulations may specify the place at which such records must be kept and that employers or contractors who fail to keep the required records will be guilty of an offence.

*An Roinn Leasa Shóisialaigh,  
Samhain, 1993.*