
Paying Debts Incurred Prior to Peace Corps Service

Peace Corps trainees will be able to request monthly allotment payments once they are sworn in as Volunteers by filling out form PC-10 Application to Allot or Withdraw Readjustment Allowance. Allotments can only be paid to a third party within the United States. You cannot request that an allotment be paid to yourself, your stateside bank account, or an investment account. Bring payee information with you overseas to accompany your application. Payment coupons cannot be sent with the check.

Money may be withdrawn from your readjustment allowance in monthly installments or as a single withdrawal for the following purposes:

1. Loan payments (student, other)
2. Alimony/child support payments
3. Monthly insurance premiums
4. Organization dues required to maintain licenses or associations
5. Purchase of US Savings Bonds
6. Payment of income tax (cannot be made through monthly allotments, only through a single withdrawal)

Allotment payments requested by trainees will not begin until the Trainee is sworn in as a Volunteer, except for major dental work required for a trainee to qualify for Volunteer service. The total monthly readjustment allowance accrual (currently US\$225.00 per month), less FICA tax deductions, may be applied toward such a dental bill up to a maximum of \$500.00.

An allotment must be for a minimum of five consecutive monthly payments of at least \$15.00 each. Each Volunteer is allowed a maximum of three concurrent allotments, including up to two allotments for US Savings Bonds. Since the purpose of your readjustment allowance is to ensure that you have funds during your transition from Peace Corps service to school and/or employment upon your return to the US, the total of all recurring deductions (i.e. allotments and/or bond purchases) cannot exceed \$112.50 per month or 50% of the readjustment allowance.

A single withdrawal payment may not exceed half of the net readjustment allowance accrued at the time of the request.

If you have additional questions, contact the division of Volunteer Financial Operations at 1-800-424-8580 ext. 1770. Recorded information on this subject is also available during non-business hours.