

Policy on payment of fees and expenses for members of the public actively involved with INVOLVE

February 2016

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This policy was written by INVOLVE Coordinating Centre staff with advice from Judy Scott, Independent Consultant. This version dated **February 2016** replaces all previous versions of this policy. Thanks also to Lucy Simons and Roger Steel for developing earlier versions of this policy.

*Terms that are explained in the 'Brief Jargon Buster' are coloured **blue** in the text.

1. Introduction

This document outlines the INVOLVE policy on **payments** and **covering expenses** for **members of the public** contributing to INVOLVE's work. This is based on guidance that was agreed with the Department of Health in 2009: <http://www.invo.org.uk/posttypepublication/national-institute-for-health-research-payment-rates-for-public-involvement/>. It also aligns with the policies of the University of Southampton, as host of the INVOLVE Coordinating Centre, and National Institute for Health Research (NIHR) Commissioning Coordinating Centres.

As a **member of the public** actively involved in the work of INVOLVE, you will be offered a **fee** when we ask you to undertake a specific task, such as attending an Advisory Group meeting or reviewing documents for INVOLVE. All **fees** offered are honorarium **payments**. They are a form of reward and recognition offered for the contribution that you as a patient, carer or **member of the public** make to our work. This does not mean that you have a contract of employment with INVOLVE.

You are not obliged to accept a **fee** that is offered to you. If you would prefer not to receive it, or to be offered a lower amount, just tell the staff member of INVOLVE who has asked you to get involved.

We will also **cover** or **reimburse** all reasonable expenses associated with your involvement, such as the costs of travelling to a meeting or the cost of a replacement carer while attending an event.

This policy tells you:

- when **members of the public** will have their expenses **covered** or **reimbursed**
- what INVOLVE regards as reasonable expenses
- when other **fees**, such as for time, skills and expertise will be made
- your responsibilities in paying tax and national insurance, and what INVOLVE will do
- your responsibilities when you are receiving **state benefits**, and what INVOLVE will do.

The policy also tells you:

- how expenses can be **covered** by being **paid directly** by INVOLVE or through **reimbursements**
- how claims for **fees** can be made

- what to expect from INVOLVE when claiming
- how long you can expect to wait for **payment** that is due to you or for expenses to be **reimbursed**
- what to do if there is a problem.

At INVOLVE we are aware that if you are receiving **state benefits you must keep to the benefit conditions about undertaking paid activity. These conditions can be complicated. INVOLVE strongly encourages people who are receiving **state benefits** to get advice from a trusted source of welfare benefits advice. A list of **state benefits** that may be affected by involvement is provided in Appendix C.**

Further information is also included in appendices:

- a brief jargon buster of some of the terms used in this policy
- useful links and contact details mentioned throughout this policy
- a list of state benefits that may be affected by payment, and those which are taxable under HM Revenue and Customs regulations
- the HM Revenue and Customs circular on payment and expenses for public involvement in British universities.

2. Who does this policy apply to?

This policy applies to all public contributors to INVOLVE who meet **all** the following criteria:

- a **member of the public**, according to our definition
- asked by INVOLVE to provide a public perspective
- not in receipt of a full-time salary from public funds.

In the following exceptional cases, people in receipt of a full-time salary from public funds may be offered **fees** if:

- their paid employment is totally unrelated to the activity being asked of them by INVOLVE and
- they intend to undertake the tasks for INVOLVE in their free time (for example, by using annual leave to undertake the task).

In these circumstances, **fees** may be offered, providing the other criteria above are met and the individual signs a declaration to this effect.

Please note: INVOLVE also covers the expenses for non-public members of the INVOLVE Advisory Group for attending meetings when invited by INVOLVE. The procedures for claiming expenses for these members are the same as outlined in this policy. However, these members are not eligible for a **fee**.

Those regularly involved with the INVOLVE Coordinating Centre

The University of Southampton payments system may request that those who regularly receive expenses or fees while involved with the INVOLVE Coordinating Centre be provided with a 'supplier number'. This may mean that we ask you to complete a short payment details form, which could save you from having to complete all sections of claim forms in future. We will advise you with more details as and when this arises.

3. Covering your expenses

Expenses that are reasonable and necessary will usually be **covered** (see section 3.1 below), either by costs being **paid directly** or by your being **reimbursed**. We may offer to:

- **pay directly** for your expenses (for example, by purchasing travel tickets or travel cards ahead of your journey, by booking and paying for hotel accommodation in advance, or by paying an alternative carer or personal assistant directly), or
- **reimburse** you for **out of pocket expenditure** that you have already incurred (for example, by your claiming back money that you have paid out because of involvement in an INVOLVE event or activity). If you wish to have your expenses **reimbursed** you will also need to **provide original receipts** for everything that you have paid for.

To have your travel costs **paid directly**, please provide INVOLVE Coordinating Centre staff with your travel requirements as soon as possible, or at least two weeks before the event.

If you are in any doubt about whether you are entitled to have your expenses **reimbursed by INVOLVE, please check with a member of staff before spending any money. INVOLVE has the right to refuse to **reimburse** you for any unreasonable expenses claims.**

Following changes to legislation in April 2014, people who receive most types of **state benefits can now have their involvement expenses **reimbursed** and these will be ignored by benefits agencies and not treated as earnings, as has sometimes happened in the past.**

Paper or electronic (pdf) copies of all forms can be sent to you, as preferred.

3.1 Expenses we will cover

Travel costs

- **Public transport** where practical: bus, underground, and trains at standard class or cheaper day rates
- **Your own car**, where absolutely necessary. While we usually expect you to travel by the most economic method practical, mileage allowance for car users will be **covered** where absolutely necessary at a rate of **40 pence per mile for the first 50 miles**, and **23 pence per mile for the rest of the journey**
- **Car parking** fees may be claimed where these are unavoidable and where using your own car is absolutely necessary (see above). Parking or speeding fines do not qualify for reimbursement
- **Taxis** where the circumstances justify the costs incurred
- **Air travel** may also be used where appropriate, if this is cheaper than other forms of transport. You will need to get prior agreement from the INVOLVE Coordinating Centre
- For **any other transport** arrangements you will need to obtain prior agreement from the INVOLVE Coordinating Centre.

If you wish to use your own car to attend INVOLVE meetings or events, you should discuss these arrangements with INVOLVE staff two weeks before the event to ensure any subsequent mileage claims will be approved.

Accommodation

We can provide overnight accommodation when it is required. This will be if the meeting takes place over more than one day, or you would have to make an unreasonably early start to get to a meeting, or your journey time makes travel in a day unfeasible.

We can book hotel accommodation for you in advance through an agency. This gives reduced rates and is the usual way we arrange an overnight stay. If you think you will need accommodation, please ask a member of INVOLVE staff to book this for you two weeks in advance.

If you wish to book and pay for hotel accommodation when it is required, INVOLVE will **reimburse** costs for accommodation **up to 3-star rating**. We are unable to **reimburse** costs of accommodation with a higher rating, unless this is unavoidable. Our **reimbursement** limits for 3-star accommodation are:

- £140 per person per night including breakfast and VAT in London
- £90 per person per night including breakfast and VAT elsewhere.

If you choose to stay with a relative or friend we are not able to offer to cover any of their costs.

Meals and other refreshments

For meetings and events, INVOLVE will usually provide meals, snacks and other refreshments. If you need additional refreshments, sometimes referred to as **subsistence**, these costs will be **reimbursed** as long as they are reasonable and you provide originals of all receipts. These receipts also need to be itemised, wherever possible.

These costs include:

- breakfast where overnight accommodation is required for INVOLVE business
- a meal and refreshments when away from home (more than 5 miles) on INVOLVE business for more than 3 hours over a recognised meal time (including over meal times while travelling).

Costs for alcoholic drinks will not be **reimbursed**.

Alternative carer or child-care costs

If you usually care for or support someone (for example a disabled person or a child), involvement with INVOLVE activities may mean that you would not be able to give care or support to the person who normally receives this from you. INVOLVE can usually **reimburse** the cost of providing necessary alternative care whilst you are away. You will need to discuss any arrangement in advance, and be able to provide evidence of the costs, such as an invoice.

We can also **pay directly** the alternative carer. You will need to discuss any arrangement in advance with an INVOLVE staff member.

Accompanying carer

If it is necessary for an informal (unpaid) carer (such as a relative or friend) to accompany you on INVOLVE business, their expenses (travel, accommodation and meals / refreshments) can also be **covered**. We can **pay directly** for these expenses or **reimburse** them after the event. You will need to let us know about this arrangement in advance.

Personal assistants and support workers

If you use a personal assistant (PA) or support worker to accompany you, their expenses and costs can also be **covered**. You will need to discuss any such arrangement in advance with an INVOLVE staff member.

INVOLVE can **pay directly** the personal assistant or support worker.

For INVOLVE to **reimburse** these costs you will need to provide evidence of the expenditure, such as an invoice.

3.2 How INVOLVE will cover your expenses

The payment of expenses is managed by the University of Southampton on behalf of INVOLVE. **Reimbursed** expenses are paid into a bank or building society account. If you do not have a bank or building society account, please speak to a member of staff at the INVOLVE Coordinating Centre in advance.

If you wish to have your expenses paid directly you should:

- speak to an INVOLVE Coordinating Centre staff member
- discuss the expenses that you wish to be **paid directly** by INVOLVE and how this can be done
- if you want the costs of alternative support, child carer, accompanying carer, personal assistant or support worker to be **paid directly** to them, you will need to provide their name and address to INVOLVE so that payment arrangements can be made directly with them.

If you wish to pay for the expenses yourself and be reimbursed after the event, you should:

- obtain the University of Southampton 'Claim for Travelling Expenses' form from INVOLVE. This should be used for all travel, accommodation and subsistence expenses. The form should be completed and signed, with **all relevant original receipts or invoices** attached. Claims that are made without receipts will not be paid
- provide your bank or building society details. Claims are paid by an electronic transfer system (called **BACS**) directly into your account
- give or send the claim form, original receipts and bank details to INVOLVE Coordinating Centre staff **within four weeks** of the costs being incurred
- keep a copy of any receipts if you are posting them, in case they become lost.

To submit your claim:

- please post to the address on the back page of this document
- or use our **FREEPOST** address on an envelope without a stamp:

INVOLVE
Alpha House
FREEPOST
RTHT-TBHY-ZJJR
Southampton
SO17 1YN.

In most cases the University of Southampton will process a claim within three to four weeks. Sometimes it may be sooner. However, we recognise this time scale may not be ideal and could sometimes lead to hardship. Therefore you may choose to ask for INVOLVE to **pay directly** for your expenses (for example, by purchasing travel tickets in advance).

4. Payment of fees

INVOLVE will always make clear what **fees**, if any, will be offered when inviting you to take part in our work. It is then your choice as to whether or not you take part, and whether or not you accept any **payment** that is offered. We use the word **fees** to describe the money you may be offered for the contribution of time, expertise and skills (see section 6 to find out what you should do if you receive **state benefits**).

4.1 Rates of fees

The **fees** outlined below are based on guidance agreed with the Department of Health in 2009. This reflects the differences that can and do exist in the extent of the tasks. Rates are subject to review from time to time to ensure that they reflect the size and nature of activities undertaken, and the guidance is being interpreted and applied consistently across NIHR Coordinating Centres.

If you are in receipt of **state benefits** that have a set limit for **earnings** that are allowed each week, INVOLVE will (if requested) offer a lower **fee**, or agree to your involvement being on a voluntary basis, so that you do not exceed your **earnings** limit.

The categories of **fees** are as follows:

Involvement in INVOLVE meetings and advisory groups

This is a daily **fee** that can be offered to INVOLVE Group members and other public contributors. This rate covers both preparation for, and attendance at, meetings and any follow up activities after a meeting. Even if the meeting is scheduled for part of the day, this rate will apply as in most circumstances the travel required will take up the entire day. The same daily **fee** will be offered for each day of a two-day meeting with a similar level of involvement.

Fee	Description
£150	<p>This is the standard daily fee offered for preparation, attendance at and follow up from:</p> <ul style="list-style-type: none"> • INVOLVE Advisory Group meetings • INVOLVE Advisory Board meetings • Annual INVOLVE Advisory Group Symposia • INVOLVE project advisory groups • INVOLVE conference (INVOLVE members only).

Involvement in reviewing and testing INVOLVE documents and resources that are not part of a meeting

For example, INVOLVE Group members or public contributors involved in reviewing INVOLVE reports or publications, or reviewing or testing INVOLVE web pages or web-based resources.

Fee	Description
£50	For completing reviews of documents (including appendices) of no more than 50 pages in total.
£125	For completing reviews of documents (including appendices) of between 51 and 200 pages in total.
£200	For completing reviews of documents (including appendices) of over 200 pages in total.

Involvement in other tasks and activities

Fees will also be offered for other activities that are not part of the preparation for or follow up from a meeting. The **fees** offered will depend on the size and nature of individual task or activity, and the level of responsibility involved. All rates will be agreed with public contributors in advance of the activity.

Fee	Description
£25	For involvement in a brief task or activity requiring little or no preparation. For example: <ul style="list-style-type: none"> • participating in a short teleconference with no preparation • reviewing a brief document, such as a leaflet, information card or other similar short document.
£50	For involvement in a task or activity likely to require some preparation. For example: <ul style="list-style-type: none"> • a short (30 min-1 hour) teleconference, with related papers to read in advance.
£75	For involvement in a task or activity which equates to approximately half a day's activity. For example: <ul style="list-style-type: none"> • a 2-3 hour teleconference, with related papers to read in advance • leading on the submission of an article to the newsletter which is subsequently published (this may be a fee for an individual's article, or a fee for the coordinator of a group's article).
£150	For involvement in other all-day activities. For example: <ul style="list-style-type: none"> • being part of a short-listing or interviewing panel for staff and INVOLVE members • for co-presenting with INVOLVE staff members at conferences or presenting alone at a conference on behalf of INVOLVE • being guest editor for an edition of the newsletter.

4.2 How will fees be paid?

Fees for contributing to the work of INVOLVE are managed by the University of Southampton. In most cases **fees** will be paid after the event or activity, directly into a bank or building society account.

To claim a **fee** that has been offered, you should complete and sign the University of Southampton 'Requisition for Payment' form, which is available from the INVOLVE Coordinating Centre (**please note**: this is not the same form as that used for claiming expenses).

INVOLVE staff will complete part of the form. You should complete the rest of the form, and sign it as 'Originated By', then return it to the INVOLVE Coordinating Centre as soon as possible. We will email you to confirm receipt of the form.

Payment is usually made directly into your bank account within 3 to 4 weeks, through an electronic transfer system (called **BACS**), from the University of Southampton.

To submit your claim:

- please post to the address on the back page of this document
- or use **FREEPOST**, by addressing an envelope without a stamp to:

INVOLVE
Alpha House
FREEPOST
RTHT-TBHY-ZJJR
Southampton
SO17 1YN.

4.3 Payments to an organisation

Arrangements can also be made for **fees** to be paid to an organisation rather than to you directly, for work you do for INVOLVE. This can happen, for example, when you work for a small organisation and you are involved with INVOLVE during the time you would usually work for that organisation. You should discuss this with your organisation (to ensure they are able to receive the payment) and with INVOLVE beforehand.

If you are receiving **state benefits and choose for the **fees** for your involvement to be paid to an organisation, this may be treated by Jobcentre Plus as payments to third parties. This means that Jobcentre Plus will treat the **payment** as if it had been made to you.**

4.4 Tax and National Insurance

Fees paid to you for your involvement with INVOLVE are usually subject to tax and National Insurance. HM Revenue and Customs has made a special arrangement for universities that involve people in research (see HM Revenue and Customs Circular, Appendix D). Tax and National Insurance Contributions will not be deducted by the University of Southampton.

You may still be liable to pay tax and National Insurance on the fees you have received and therefore you will need to check your total annual taxable income at the end of the financial year (5th April).

You are required to notify HM Revenue and Customs local office of **fees** received only if your annual **income** exceeds your **personal income tax allowance** at the end of the financial year. You are responsible for calculating whether you need to pay any tax or National Insurance.

HM Revenue and Customs have advised that they do not wish to be informed if **fees** received for involvement at the end of the financial year do not take your annual taxable **income** above your **personal income tax allowance**.

Personal income tax allowances are set each year and depend upon factors such as age and other personal circumstances. The HM Revenue and Customs links in Appendix B tell you where to find out about the current personal tax allowances.

If your annual taxable **income** appears to exceed your tax threshold, you should contact your local HM Revenue and Customs office. They will advise you and may send you a **tax return form** if tax is due.

If you are receiving state benefits you should check if any of the state benefits you receive are taxable and may count towards the annual taxable income. A list of taxable benefits is included in Appendix C.

Staff at the INVOLVE Coordinating Centre cannot offer you advice on tax or National Insurance issues. If in doubt you should contact your local HM Revenue and Customs (HMRC) Office. Information about dealing with HMRC and the details of local offices are available on the [Gov.uk](https://www.gov.uk) website (see Appendix B).

5. What if there is a problem?

In all cases, if there is a problem, such as a delay in receiving **fees** or **reimbursed** expenses, or the amount you receive is wrong, you should contact the admin team at:

INVOLVE Coordinating Centre
Alpha House
University of Southampton Science Park
Chilworth
Southampton
SO16 7NS
Tel: 02380 595628
Email: involve@nihr.ac.uk

6. Advice for people receiving state benefits

If you are receiving **state benefits**, there may be certain conditions that you need to stick to and the amount of **fees** you can receive may be restricted. It is important that you are aware of these restrictions before you agree to be paid for involvement.

INVOLVE Coordinating Centre staff are unable to offer advice on how payment for involvement may affect your **state benefits**, but will happily refer you to the **Benefits Advice Service**. This service is coordinated by the Bedford Citizens Advice Bureau and offers free, confidential and personalised advice and support to those in receipt of **state benefits** while undertaking paid involvement activities with INVOLVE or NIHR. For more information about accessing this service, please visit the INVOLVE website:

www.invo.org.uk/resource-centre/benefits-advice-service/

In general, you should always let the relevant benefits office know if you are going to get involved in paid (and sometimes, unpaid) activity. The Benefits Advice Service can advise on when and how to inform the relevant benefits offices, but usually this is best done as early as possible.

Further information about **state benefits** and the regulations can be found on the INVOLVE website payment and recognition page:

www.invo.org.uk/resource-centre/payment-and-recognition-for-public-involvement/

Appendix A: Brief Jargon Buster

BACS

BACS (originally an acronym for Bankers' Automated Clearing Services) is a United Kingdom scheme for the electronic processing of financial transactions. BACS payments take three working days to clear - they are entered into the system on the first day, processed on the second day, and cleared on the third day.

Covered / covering expenses

When we talk about covering expenses it includes two ways of paying for out of pocket expenses:

- expenses can be paid for directly by INVOLVE
- INVOLVE will give you back (reimburse) the money you have spent.

Earnings

Total of what you have received in payment for doing a piece of work, or contributing time and experience.

Fees

Payment received for the contribution of time, expertise and skills.

Income

Total amount of money you receive from all sources.

Member of the public

By **member of the public**, we mean patients, potential patients, carers and people who use health and social care services as well as people from organisations that represent people who use services. Whilst all of us are actual, former or indeed potential users of health and social care services, there is an important distinction to be made between the perspectives of the public and the perspectives of people who have a professional role in health and social care services or research.

Our definition does **not** include professional contractors. Other organisations have different definitions of this term.

Out of pocket expenses / expenditure

The term out of pocket expenses refers to expenditure that is required to enable you to take part in an event or activity. At INVOLVE this includes travel costs, accommodation (when required), meals and refreshments, alternative support or child care costs, accompanying carers and personal assistants or support workers.

Paid directly

It is possible for your out of pocket expenses to be paid directly by INVOLVE. For example, we can purchase your travel tickets or cards in advance or if you need to arrange for a replacement carer we can pay the carer directly for their

work rather than you paying them and then be reimbursed. Having expenses paid directly is required for some people who receive state benefits and people may prefer this method of covering expenses to prevent them being out of pocket.

Payments

Money given to you for doing something with INVOLVE. For example, reading and commenting on a new publication.

Personal income tax allowance

This is the amount of income you can receive in a financial year before tax will start to be deducted. The amount will be affected by your personal circumstances, such as age.

Reimburse / reimbursement

Money that is given back to you because you spent it in order to take part in an activity. For example, paying back your travel fares for going to a meeting.

State benefits (or welfare benefits)

These are payments made by the government to support people who have ill-health or a disability that limits their capacity to work, or people who are unemployed and looking for work, or people who are caring for another person. Benefits have to be applied for, and certain conditions have to be met for those benefits to be awarded and to be continued. The conditions vary for different types of benefits. Access to some benefits is only available through the National Insurance scheme that people will have paid into when in paid employment (see Appendix C for a list of taxable state benefits and those that may be affected by payment for involvement).

Subsistence

Claims for reimbursement of essential living expenses while attending or travelling to activities (such as meals or refreshments) are known as 'subsistence' payments. Organisations often have daily limits for subsistence expenditure, above which claims will not be covered. Alcoholic refreshments are generally not included as subsistence expenses.

Taxable benefits

Some benefits are subject to tax, others are not.

Tax return form (self-assessment form)

When you have received money that has not already been taxed by an organisation, you will need to complete a tax return form (sometimes called a self-assessment form). It is often used by people who are self-employed. If you receive a salary this is usually taxed, but if you have earnings, for example from consultations you have been involved in over the year, this may have to be declared to the tax office using this type of form. The tax office will only want to be informed if your taxable income is more than your tax threshold or allowance. The tax office will then use the information to calculate the tax you owe the government.

Appendix B: Further sources of information

Benefits Advice Service is run by the Bedford Citizens Advice Bureau to offer free, confidential and personalised support to those who receive state benefits while involved in INVOLVE or NIHR paid activities.

<http://www.invo.org.uk/resource-centre/benefits-advice-service/>

Department for Work and Pensions' guidance is available on their website:

www.gov.uk/dwp

HM Revenue and Customs circular EIM71105 is available through

www.hmrc.gov.uk by typing EIM71105 in the search facility.

HM Revenue and Customs information about the need to complete a tax return is available from: www.hmrc.gov.uk/sa/need-tax-return.htm

Gov.uk The UK government website has all sorts of easy to use information on just about anything that concerns government and statutory services, including information about taxes (including personal income tax allowances) and state benefits. See www.gov.uk/

NIHR Clinical Research Network: Mental Health resources include a detailed guide to tax and benefit rules and procedures when receiving payments for involvement. It also includes advice about keeping records:

<http://www.crn.nihr.ac.uk/mentalhealth/pcpie/payment-and-benefits-information-for-service-users-and-carers>

INVOLVE offers 'Payment for Involvement' guidance notes, which address payment of fees and covering expenses. The guidance notes also advise on the development of policies for payment, and the need to engage with organisational finance and human resources departments:

www.involve.nihr.ac.uk/posttypepublication/payment-for-involvement

Appendix C: Information on state benefits

State benefits¹ that may be affected by payments for involvement

The following **state benefits** may be affected if you receive payments for involvement. INVOLVE strongly encourages people who are receiving state benefits to get advice from a trusted source of welfare benefits advice before agreeing any payments:

- Jobseeker's Allowance
- Income Support
- Incapacity Benefit
- Severe Disablement Allowance
- Employment and Support Allowance
- Carer's Allowance and carer's premium
- Universal Credit (including the element for rent or mortgage)
- Pension Credit (but not if only State Pension is received)
- Housing Benefit/ Local Housing Allowance
- Council Tax Support
- Tax Credits (not strictly a state benefit, Tax Credits are administered by HM Revenue and Customs as a top up to a low wage).

Taxable state benefits

The following **state benefits** are taxable. If you are in receipt of any of these benefits you should calculate the amount you receive in the year as part of your taxable **income**:

- Carer's Allowance (but not income support paid as a carer's premium)
- Higher, short-term Incapacity Benefit
- Long-term Incapacity Benefit (but not if you transferred from Invalidity Benefit)
- Invalidity allowance paid with a state pension

¹ Information on state benefits correct in April 2014

- Jobseeker's Allowance
- State retirement pension (but not Pension Credit)
- Pensions payable under the Industrial Death Benefit Scheme
- Contribution-based Employment and Support allowance (but not income based Employment and Support allowance)
- Graduated retirement benefit
- Adult dependant additions paid with the above benefits
- Statutory adoption pay
- Statutory maternity pay
- Statutory paternity pay
- Statutory sick pay
- Bereavement allowance
- Widowed mother's / parent's allowance
- Widow's pension

Other **state benefits** are not taxable.

The HMRC website has up-to-date lists of taxable and non-taxable state benefits, with further links to the regulation details:

Taxable: www.hmrc.gov.uk/manuals/eimanual/EIM76101.htm

Non-taxable: www.hmrc.gov.uk/manuals/eimanual/EIM76100.htm

Appendix D: HM Revenue and Customs circular

EIM71105 - Research volunteers, lay participants and participants in clinical trials

The former Inland Revenue agreed the following principles and procedures with the British Universities Finance Directors Group on 13 October 2004. As well as covering specific issues in the situations specified it illustrates the approach that should be taken with volunteer workers.

Research volunteers, lay participants and participants in clinical trials

In the course of undertaking research, particularly social science or medical research, volunteers are required to take part in tests, submit to measurements or be interviewed. They are usually paid a small sum to cover out of pocket expenses and as compensation for the time spent. Some of the volunteers may be members of staff of the university, but their participation in the research is not part of their duties of employment and they do it in their own time and are under no obligation to take part.

Closely related to the above is the use of "lay" people or "users" in research. Here the people in question are invited to attend meetings to give their views on various matters to inform the research process and direction. Often they will be former or current patients, representatives of particular groups such as retired people, or representatives from charities. Payment is made to them for their participation in the meetings.

Tax consequences for the university

In the circumstances above, HMRC agrees that the amounts paid to those concerned are unlikely to fall within the definition of "earnings" for PAYE or NI purposes. No employment relationship exists and as such PAYE and NIC would be inappropriate.

Under Section 16, Taxes Management Act 1970, HMRC is entitled to ask for details of payments to non-employees at their discretion; but they would not routinely ask for details for small payments such as these.

Tax consequences for the individuals receiving the payments

There will be no tax or NIC liability arising on the individual if the sums received do no more than reimburse the individual's reasonable costs of participating in the trial or research, including costs of travel and subsistence.

However should the sums paid exceed those reasonable expenses then the excess may fall to be chargeable to tax as Miscellaneous Income, potentially giving rise to personal tax liabilities of the individuals which should be notified to the Inland Revenue under Self-Assessment.

www.hmrc.gov.uk/manuals/eimanual/EIM71105.htm (accessed April 2014)

INVOLVE

INVOLVE is a national advisory group funded by the National Institute for Health Research (NIHR) to support public involvement in NHS, public health and social care research.

If you would like to know more about what we do, please contact us:

INVOLVE Coordinating Centre

Alpha House
University of Southampton Science Park
Chilworth
Southampton
SO16 7NS

Web: www.involve.nihr.ac.uk

Email: involve@nihr.ac.uk

Telephone: 02380 595628

Twitter: @NIHRINVOLVE

If you need a copy of this publication in another format please contact us at INVOLVE.

This publication is available to download from:

www.involve.nihr.ac.uk