

# INVOLVE

Promoting public involvement  
in NHS, public health and  
social care research

**NHS**

*National Institute for  
Health Research*

## **INVOLVE policy on payments and expenses for members of the public including INVOLVE group members**

**February 2010  
(First written April 2007)**

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\*Terms that are explained in the brief jargon buster are coloured **blue** in the text.

This policy was written by INVOLVE Coordinating Centre staff with advice from Judy Scott, Independent Consultant. Thanks to Roger Steel who wrote the previous version of this policy. This version dated February 2010 replaces all previous versions of this policy.

# 1. Introduction

At INVOLVE we are committed to the active involvement of **members of the public** in our work, and it is important to us that our own internal policies reflect this. We will **cover out of pocket expenses** and, where appropriate, **payments** for time. These are some of the ways in which we can help ensure that people have an equal opportunity to participate in INVOLVE activities and be acknowledged for any contribution to the work of INVOLVE.

This **payments** and **expenses** policy is relevant to situations where INVOLVE invites **members of the public** to become involved in its work.

## The policy tells you:

- when **members of the public** will have their **expenses covered** or **reimbursed**
- what INVOLVE regard as reasonable expenses
- when other **payments**, such as for time, 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 will also tell you:

- how **expenses** can be covered by being **paid directly** by INVOLVE or through **reimbursements**
- how claims for **payment** 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 will happen if there is a problem.

At INVOLVE we recognise that some people may, if they are receiving **state benefits**, face barriers to involvement as a result of benefit conditions. We have therefore arranged access to a specialist advice service called the **Involvement Helpline** to help people decide whether they can get involved and how they will have their **expenses covered** and receive **payments** (see sections 2.3 and 4 for more information).

**Further information is also included in appendices:**

- useful links and contact details
- a brief jargon buster of the terms used in this policy

Please contact a member of staff at the INVOLVE Coordinating Centre if you have any questions about this policy. We will be happy to talk through how to have your **expenses covered** or claim any **payments**. You will find our contact details on the final page of this document.

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## 2. Covering your expenses

It is our policy at INVOLVE that members of the public should not be out of pocket as a result of contributing to our work.

This policy uses the term **covering your expenses** to describe two ways in which INVOLVE may pay your expenses. We can **pay directly** for your expenses or we can **reimburse** expenses that you have already paid for.

We may offer to **cover your expenses** by paying **directly** for the costs ourselves, 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.

**People who are receiving state benefits may need their expenses to be paid directly. This is because certain reimbursements are currently treated by benefit rules partly or wholly as earnings and can lead to benefits being affected. If expenses are paid for directly by INVOLVE there is no such risk.**

**Reimbursement** means being able to claim back money that you have paid out because of involvement in an INVOLVE event or activity.

**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.**

### 2.1 Who can have their expenses covered?

You can usually have your **expenses covered** if

- you are a health and/or social care service user, carer, patient, or other member of the public or a member of the INVOLVE standing and working groups

**and**

- you have been invited to take part in or to contribute to an INVOLVE event, activity or piece of work.

If you wish to have your expenses **reimbursed** you will also need to provide receipts for everything that you have paid for.

This policy does not apply to the INVOLVE National Conference where a bursary system is used (see section 3.3). However, if you are an INVOLVE group member attending the INVOLVE National Conference, your expenses will be covered in the usual way.

## 2.2 What expenses will be reimbursed?

**Out-of-pocket expenses** that are reasonable and necessary will usually be covered and these include:

### Travel costs:

- Public transport where practical: bus, underground, and trains at standard class or cheaper day rates.
- Taxis where the circumstances justify the costs incurred.
- Your own car where absolutely necessary. We normally expect you to use public transport where this is practical, but mileage allowance for car users will be covered where absolutely necessary at 40 pence per mile. However, if you do use a car, you can only claim 22.5 pence per mile if you could have used public transport to complete a journey in the same time.
- Air travel may also be used where appropriate if this is cheaper than other forms of transport, but you will need to get prior agreement from INVOLVE.

Your expenses can be **paid directly** through INVOLVE buying your travel tickets or a travel card for you. Please provide two week's notice in advance of the event.

For any other transport arrangements you will need to prior agreement from INVOLVE if you want the expenses **paid directly** in advance or **reimbursed** afterwards.

**If you are receiving **state benefits** and wish to use your own car you should discuss arrangements to **cover expenses** with INVOLVE staff two weeks before the event.**

### **Accommodation:**

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 make your own booking at a hotel and pay for your accommodation INVOLVE will reimburse you for a maximum of up to:

- £110 per person per night including breakfast & VAT in London
- £85 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.

### **Subsistence:**

Meals and snacks are generally provided by INVOLVE at an event.

Where you pay for meals, snacks, and non-alcoholic drinks whilst on INVOLVE business, the exact costs will be **reimbursed** as follows:

- On INVOLVE business and away from home / your usual place of work of 5 to 10 hours - up to £20.00 per day
- On INVOLVE business and away from home / your usual place of work for more than 10 hours - up to £25.00 per day.

To have subsistence costs **reimbursed** you will need to provide receipts.

### **Alternative carer or child-care costs:**

If you usually care for or support someone, 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. For example, this may be a disabled person or a child. 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 the alternative carer directly. 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 can also be covered. We can pay for these expenses directly 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 be covered. You will need to discuss any arrangement in advance. To be able to **reimburse** these costs you will need to provide evidence of the costs, such as an invoice.

INVOLVE can also **pay directly** the personal assistant or support worker. You will need to discuss any arrangement in advance with an INVOLVE staff member.

## **2.3 How INVOLVE will cover your expenses**

The payment of **expenses** is managed by the University of Leeds 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 make sure you ask to have your expenses **paid directly**.

### **If you wish to have your expenses **paid directly** (other than the INVOLVE national conference).**

You should:

- Tell an INVOLVE staff member of your choice.
- 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, or a child carer, or 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 another person is to be paid for their time on your behalf INVOLVE will ask for your authority to pay them. You will be given an authority form to sign (copies of this are available from INVOLVE on request).

**If you wish to pay for the expenses yourself and be reimbursed after the event (other than the INVOLVE national conference).**

You should:

- Obtain the white University of Leeds claim form 'TRAVEL AND SUBSISTENCE EXPENSES FORM – UK CLAIMS ONLY' from INVOLVE. This should be completed with all relevant 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, receipts and bank details to INVOLVE staff at the address at the end of this document **within six weeks** of the event.

Expense claim forms can be submitted to INVOLVE at any time but always within six weeks of when you paid for the **expenses**. In most cases the University of Leeds will process a claim within 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 **cover your expenses** directly.

### **INVOLVE national conference**

External conference organisers manage the administration of the INVOLVE National Conference on our behalf. Assistance with the cost of expenses for members of the public may be available through a bursary scheme that is administered by them. The arrangements for this are different from those described above. Further information is available from INVOLVE prior to the conference. However, for INVOLVE group members attending the conference expenses and payment are made in the usual way.

### **2.4 What if there is a problem?**

In all cases, if there is a problem, such as a delay in receiving **reimbursement** or the amount you receive is wrong, you should contact a member of staff at the INVOLVE Coordinating Centre. Our contact details are at the end of this document.

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### 3. Payment for your time

At INVOLVE we believe that people should be fairly recognised and rewarded for the work they do for us. We offer payment for time, expertise, and skills where this contributes to the work of INVOLVE. The rates of **payment** offered vary depending on the situation.

**We use the word **payment** to describe the money received for the contribution of time, expertise and skills. This will always be agreed in advance.**

#### 3.1 Who can be paid for their time?

You could be offered payment if you are not receiving a full-time salary from public funds and you meet **both** of the following criteria:

- you are a **member of the public** (see definition in Appendix B)
- you are being asked to provide a public perspective in the work you do for INVOLVE.

**At INVOLVE we are aware that if you are receiving **state benefits** you must keep to the benefit conditions about undertaking paid activity and these conditions can be complicated. INVOLVE strongly encourages people who are receiving **state benefits** to get advice from the **Involvement Helpline** before agreeing a rate of pay (see section 4 for more information). A list of **state benefits** that may be affected by involvement is provided in Appendix C.**

#### 3.2 When will payment for time be offered?

Payment for time will be offered when INVOLVE have identified specific activities where **members of the public** might make a contribution from their expertise by experience and you have been directly invited by us to get involved in our work. The amount you will be offered for any activity will always be agreed in advance. For example, **payments** are often offered for the following activities:

- Attending INVOLVE meetings, such as, project steering groups, consultation events or a seminar where views are specifically sought to benefit INVOLVE's knowledge base
- Commenting on written materials

- Undertaking a **peer review** when INVOLVE is commissioning work.
- Commenting on design and content of new INVOLVE publications including **peer review** and editing
- Providing training for or on behalf of INVOLVE.
- Co-presenting talks and workshops with INVOLVE staff.

**INVOLVE will always make clear what **payments**, if any, will be offered when inviting you to take part. It is then your choice as to whether or not you take part, and whether or not you accept any payment that is offered.**

### 3.3 What payment for time will be paid?

We are committed to setting **payment** rates fairly, and these will vary depending on the situation, and what is being asked of you. Many of the activities we invite **members of the public** to be involved in are time-limited, non-routine, and unique. This is why we do not have a set of fixed rates.

INVOLVE use the National Institute for Health Research Programmes committee rate of £150 per day including preparation time as a benchmark for deciding what payment rates should apply to different situations. We also use the National Institute of Health Research Programmes rates for **peer review** which are £50, £125, or £200 depending on the size of document being reviewed (See NIHR Payment Rates October 2009 document available on request from the INVOLVE Coordinating Centre or to download from the INVOLVE website [www.invo.org.uk](http://www.invo.org.uk)).

### 3.4 How will payment be made?

**Payments** for contributing to the work of INVOLVE are managed by the University of Leeds. In most cases **payments** will be made after the event or activity and directly into a bank or building society account.

To claim for **payments**, if they are offered, you should complete and sign the University of Leeds blue form, entitled '**Payment of Fees and Associated Expenses**' 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 usually complete part of the form for you. In section 2(a) of the form all the 'NO' boxes should already be ticked, and in the boxes to the right 'F' should be given as the reason no tax is to be deducted, and a 'K' should be given for the reason National Insurance is not to be deducted by the University of Leeds. In 2(b) the Description of services should contain the word 'INVOLVE'.

The completed form should reach us at INVOLVE by the 20<sup>th</sup> of the month so that you receive payment by the end of the following month. Payment is usually made directly into your bank account, through an electronic transfer system (called **BACS**), from the University of Leeds. We will return a copy of the completed '**Payment of Fees and Associated Expenses**' form to you for future reference.

### 3.5 Payments to an organisation

Arrangements can also be made for **payments** to be made 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 and INVOLVE beforehand.

Where you are receiving **state benefits** and choose for the **payments** for involvement to be made to an organisation, this can be treated by Jobcentre Plus as **payments** to third parties. This means that the payment may be treated as if it had been made to the person and the 'notional earnings' rule may apply.

### 3.6 Once-off payment

When paid involvement is once-off, not for more than one day in that financial year (a financial year commences on 6<sup>th</sup> April) you can be given a gift of money as a thank you. This is called a '**once-off payment**'.

**State benefits** are not affected by **once-off payments** provided the amount paid does not take your savings above the capital limit for benefits and the amount is a reasonable amount for one day. This benefit rule is based on a Department of Work and Pensions guide 'Doing the Right Thing' (See Appendix B for further information).

Tax and National Insurance do not apply to **once-off payments** and should not be deducted. HM Revenue and Customs do not want to be informed about **once-off payments**.

Any subsequent paid involvement in the financial year with INVOLVE cannot be treated as a once-off.

INVOLVE will provide you with a letter of thanks when making a **once-off payment**. This letter can be used to explain the type of payment if this is required by HM Revenue and Customs or the Jobcentre Plus.

### 3.7 Tax and National Insurance

**Payments** made to you for your work with INVOLVE, except for once-off events as described above, 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 C). Tax and National Insurance contributions will not be deducted by the University of Leeds.

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

You are required to notify HM Revenue and Customs local office of **payments** 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 **payments** 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. Appendix A tells 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. If in doubt you should contact your local HM Customs and Revenue (HMRC) Office. Information about dealing with HMRC and the details of local offices is available on the Direct.gov website (see Appendix B).

### **3.8 What if there is a problem?**

In all cases, if there is a problem, such as a delay in receiving **payment** or the amount you receive is wrong, you should contact a member of staff at the INVOLVE Coordinating Centre. Our contact details are at the end of this document.

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## 4. Advice for people receiving state benefits

INVOLVE has arranged access to an advice service for people who claim **state benefits** and are considering getting involved with our work. The **Involvement Helpline** is run by Milton Keynes Citizens Advice Bureau and offers a free phone specialist benefit and tax credit advice service. It provides confidential, personalised and professional advice to anyone who is considering paid or voluntary involvement.

We will offer you access to the **Involvement Helpline** before you decide whether you want to accept an offer of involvement. This is to make sure you can receive advice about how **payment** may affect your benefits and make an informed choice about whether to accept it. It may take a few weeks for this process to take place. Please let a member of staff at the INVOLVE Coordinating Centre know if you would like to get advice from the **Involvement Helpline**.

**If you are receiving **state benefits** you may want to get advice on benefit rules about **payments** before you decide to get involved. Different benefits have different rules and limits on the amount of money that you can accept before benefits are affected. It is your responsibility to check your entitlement to receive additional **payments** before you do any work with INVOLVE. Failure to do this may result in your benefits being withdrawn.**

If you would like advice from the **Involvement Helpline** you will be given further information on how to contact the service. The process is explained in the internal INVOLVE protocol for referring members of the public to the Milton Keynes Citizens Advice Bureau Involvement Helpline. A copy is available on request from an INVOLVE member of staff.

When you have received advice from the Helpline you should get back to INVOLVE and let us know what you have decided about **payment** rates and how your **out-of-pocket expenses** should be covered. INVOLVE will send you a letter confirming the involvement on the terms you have agreed with us and the way in which we will cover your expenses.

If you are receiving benefits because of health issues we can also give you a standard letter for Jobcentre Plus staff. This letter has been agreed with their Policy Division and explains why involvement is not the same as work.

Members of staff at the INVOLVE Coordinating Centre can not advise you about how payments may affect your benefits or how to deal with the Jobcentre Plus. Once you are in contact with the **Involvement Helpline** an advisor will explain what you need to do in respect of letting Jobcentre Plus know about your 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

### **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.

### **Expenditure**

What you have paid out to take part in an event or activity.

### **Income**

Total amount of money you receive from all sources.

### **Involvement Helpline**

Milton Keynes Citizen's Advice Bureau provides this confidential service over the telephone. People can get reliable advice on how much they can be paid and which expenses can be covered without affecting their benefits or tax credits. People are able to make an informed choice about getting involved after getting the advice. If you want access to this service please contact a member of staff at INVOLVE.

### **Members of the Public**

At INVOLVE, we use this term to cover:

- patients and potential patients
- people who provide care or support on an informal (i.e. unpaid) basis
- parents/guardians
- people who use health and social care services
- disabled people
- members of the public and communities who might be targeted by health promotion, public health and social care
- groups asking for research because they believe they have been exposed to potentially harmful substances or products
- organisations that represent people who use health and social care services.

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

### **Once-off payment**

When paid involvement is once-off, for not more than one day in that financial year (a financial year commences on 6 April), members of the public may be given a gift of money as a thank you. This money is not taxable and should not affect benefits in any way.

### **Out of pocket expenses**

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), subsistence, alternative support or child care costs, accompanying carers and personal assistant 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.

### **Peer review**

Peer reviewing is where people with similar interests and expertise read and comment on a document, for example, a proposed plan for a research project. Peer review helps to check the quality of the document. Members of the public who act as peer reviewers may choose to comment on:

- whether the research addressed an important and relevant question
- the methods used by the researchers
- the quality of the public involvement in the research.

### **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 to your personal circumstances, such as, age.

### **Reimburse / Reimbursement**

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

**State 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**

This is a term used for the costs of day to day needs such as food and drink, for example, a cup of coffee whilst you are travelling to an event.

**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

**Department for Work and Pensions guidance on once-off payments** is set out in their booklet 'Doing the Right Thing' that is available on their website through the search facility <http://www.dwp.gov.uk/>

**'Reward and Recognition' Department of Health guidance on good practice for public participation.** This was last updated in 2007 so the benefit rules are now likely to be out of date. It is available from the website through the search facility. [www.dh.gov.uk](http://www.dh.gov.uk) Type in 'Reward and Recognition'.

**HM Revenue and Customs circular EIM71105** is available through the search facility. [www.hmrc.gov.uk](http://www.hmrc.gov.uk) Type in EIM71105.

**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](http://www.hmrc.gov.uk/sa/need-tax-return.htm)

**Direct.gov** The Direct.gov 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.direct.gov.uk](http://www.direct.gov.uk)

### **Citizens Advice Bureaux (CAB)**

Use [www.citizensadvice.org.uk/index.htm](http://www.citizensadvice.org.uk/index.htm) to find your local CAB and for other useful information. If you do not have internet access, call the national CAB office on 020 7833 2181 (**Please note:** This is an administrative office and no advice is available on this number).

## Appendix C: Information on state benefits

### State Benefits<sup>1</sup> 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 the **Involvement Helpline** before agreeing any payments:

- Jobseeker's Allowance
- Income Support
- Incapacity Benefit
- Severe Disablement Allowance
- Employment and Support Allowance
- Carer's Allowance
- Pension Credit (but not if only State Pension is received)
- Housing Benefit
- Council Tax Benefit
- Tax Credits (not strictly a state benefit that is 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 received 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
- Jobseeker's allowance

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<sup>1</sup> Information on state benefits correct in May 2009

- State retirement pension (but not Pension Credit)
- Contribution based employment and support allowance (but not income based employment and support allowance)
- Adult dependant additions paid with the above benefits
- Statutory adoption, maternity, paternity and sick pay
- Bereavement allowance , widowed mothers /parents allowance and widows pension

Other **state benefits** are not taxable.

## **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](http://www.hmrc.gov.uk/manuals/eimanual/EIM71105.htm) accessed 4th June 2009)



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