



UNIVERSITY OF
LINCOLN

Paid Participant Payment Policy

Version 4.0 / April 2024

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1. Introduction

The University of Lincoln recognises that while undertaking research, participants may be required to take part in research procedures (which may include interview, focus group, observation or physical activity).

Individuals who are already engaged with the University under a different type of contract, may be engaged as a participant, providing their participation in the research is not as part of their normal employment duties. The time spent must be on their own time and not during their normal working hours.

Participants can be paid a small amount of out of pocket expenses as compensation for their time and inconvenience.

2. Tax consequences for the University

In the circumstances above, HM Revenue and Customs (HMRC) agrees that the amounts paid to those concerned are unlikely to fall within the definition of “earnings” for PAYE or NI purposes. Providing no employment relationship exists and the individuals is not undertaking “work” and is participating under their own obligation, HMRC define that tax (under the PAYE scheme) and other statutory deductions such as National Insurance contributions would be deemed inappropriate.

In order to record such activities, there is a requirement for the name of the participant and value received linked to the research activity and this should be carried out by the research lead or designated nominee. This is required to satisfy HMRC should they wish to see evidence of the payments to ensure it still falls within the scope above.

The University is not able to give advice on the taxation position of individual participants.

3. Tax consequences for the individuals receiving the payments

The treatment of tax for Participant payments, is clarified from HMRC. It is stated that providing the above criteria is adhered to, and providing the total sum of reimbursement does not exceed the total cost of time associated to participating in a trial or research study which includes any additional costs of travel and subsistence, then the cost is not chargeable to Statutory deductions.

In the event that the total does exceed those deemed as “reasonable” then the excess may fall chargeable to tax as Miscellaneous Income, potentially giving rise to personal tax liabilities of the individuals which should be notified to the HMRC under Self-Assessment.

4. Process

The amount paid to each individual will need to be considered as to the:

- Nature of the study
- Degree of inconvenience / discomfort to participant
- Ease of obtaining participants for example where the “group” is very small e.g. parents of children with a specific illness
- Number of participants required
- Budget for payment
- Allowances for subsistence use the University rates as a guide

As a guide, it is suggested that the amount to cover out of pocket expenses such as travel, subsistence and for compensation for their time spent would be £10 - £15 for up to half day and £15 - £25 for a full day in a typical study, however any such payment must be agreed by the Research Ethics Committee. Other amounts must also be agreed.

5. Participant Cash Request – Bank transfer

For payment of cash to participants

Once the payment budget has been agreed and approved by the Head of School or appropriate budget signatory, the form in Appendix 1 requires completion along with evidence of approval (this can be in an email attached to the form). Please ensure you provide as much notice as possible for the Payroll team to raise the payment in time for the first payment to be made to the participants.

The form must be sent to Payroll Services by the 10th of the month for payment to be made in the next available payroll run (usually paid 25th of the month). If there is a late request received, or it has missed the payment run, Payroll will raise a payment outside of the usual process.

The payment will be made into your bank account as we do not offer a cash collection. It is then up to the individual running the project to withdraw only the cash required at each stage of the process. Where cash is left over, this will need to be securely locked away and the individual will be responsible for looking after the cash.

The participant request form should hold the following information:

- The purpose of the payment, e.g. the name and description of the study
- The date the study will take place
- The date the cash is required
- The set amount that is going to be paid to each “participant”
- The number of “participants” attending
- The project code and account code which can be obtained from your Finance Officer

A record must be made of actual monies paid out to participants (Appendix 2) which should include:

- The name and address of the participant
- The amount paid
- Participant's signature to say that they have received the amount specified
- Date paid

Once complete, please return the form to the Payroll Services team for retention in line with HMRC guidance.

Should any monies be left over at the end of the study, this can be processed as follows:

Inform the Payroll Services team that there is money left over and complete a bank transfer. Payroll will be able to provide the details needed to transfer including reference numbers.

Alternatively, you can return the residual cash hand delivered to the Payroll Services team in a sealed envelope with details of your name, project code and amount to be returned.

Once the money is banked, it will be credited back to the project code within your budget. You may wish to let you Finance Officer within the college know to expect the money to show in the financial accounts.

Under no circumstances should you pay money out of your own personal bank account to the participants personal bank account due to risk and compliance.

Where it has been agreed to pay directly into a participants private bank account, please contact your College Finance Officer who can arrange a payment. This should be a last resort, only if vouchers or the of withdrawing cash cannot be undertaken.

6. Participant Payment – Vouchers

Where a cash payment is not appropriate, participants may be paid by voucher / gift card e.g. Amazon/High Street voucher, or in some cases, where paid surveys, (e.g. Qualtrics /Amazon/MTurk) are used as part of the research study.

This value must not exceed the amounts stated above, irrespective of how payments are made, otherwise this will form a taxable Benefit in Kind and must be reported to HM Revenue and Customs. The project will also incur an additional charge to the project on the Benefit in Kind for the grossing up of the individual tax liability and the employer National Insurance contributions.

Note: when using paid surveys, the survey *must* include a re CAPTCHA to protect against spam and robot responses.

Please also ensure the research lead / designated nominee ensures the participants name is recorded on Appendix 2 of who has received a voucher and to what value. If you have any queries, please contact the Payroll Services Team for more information on HMRC reporting.

7. Compliance

Please review the research privacy notice available on the [Research Privacy Notice – Ethics, Governance & Regulatory Compliance \(lincoln.ac.uk\)](https://lincoln.ac.uk/research-privacy-notice-ethics-governance-regulatory-compliance) before engaging any Research participants to your study. If you have any queries regarding compliance, please email compliance@lincoln.ac.uk

7. Appendix 1

University of Lincoln Participant Payment Request Form

This form is to be used to detail the following information:

Name of University staff member leading on study
The purpose of the payment, e.g. the name and description of the study
Ethics Committee reference:
The date(s) the study will take place
The date the cash is required
The set amount that is going to be paid to each "participant"
The number of "participants" attending
Project code
Account Code
Signed By (person requesting)
Approval by Head of School

Once completed, please forward this document to your College Finance Officer.

8. Appendix 2

University of Lincoln Participant Payment Reconciliation Form

One form per participant due to GDPR and data collection.

Name of study	
Project code and account code	
Name of individual leading on study	

Name and Address of Participant	Signed	Date money received	Amount £
Total Cash received	£		
Total Cash spent as above	£		
Difference	£		
Reason for Difference			

Once completed, please forward this document to the Payroll Services team at payrollservices@lincoln.ac.uk.

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Owner	Last Reviewed	Next Review
Payroll Services	September 2020	September 2021



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