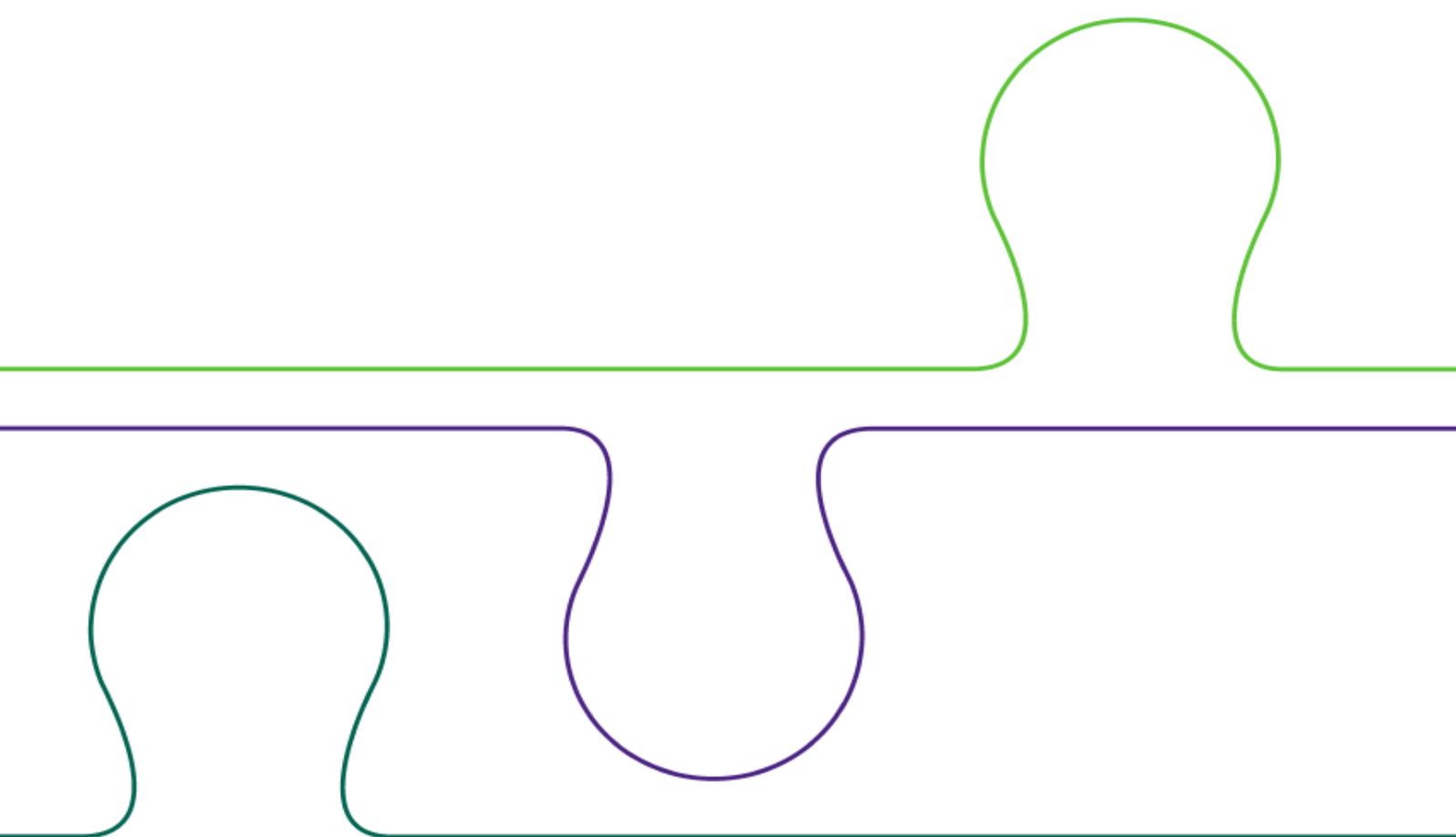


[Insert hub and NIHR logo]

Model Payment Policy for Service Users and Carers for MHRN Hubs

Version 1.0 May 2010



This Payment Policy is based on good practice established in the field of involvement in health and social care, and published as Valuing Involvement by CSIP with the support of Experts by Experience.

A companion guide 'Benefit Conditions and Systems around Paid and Voluntary Involvement' provides further detailed information.

**Approved by:
MHRN National Executive May 2010**

Consultancy: Judy Scott – independent consultant
Date of Policy: April 2010
Next revision date: April 2011

About the MHRN

The Mental Health Research Network (MHRN) is funded by the Department of Health. The MHRN consists of eight regional offices (or hubs) together with a Coordinating Centre. The Coordinating Centre is hosted by the University of Manchester and Institute of Psychiatry, which is part of Kings College London.

This payment policy relates solely to payments to service users and carers through the [insert hub name].

The term 'service user' is used throughout the policy to mean both those that use services because of a mental health problem and those who have mental health problems but are not in contact with services.

Contents

1. INTRODUCTION			Page number
	1.1 The Mental Research Network		6
	1.2 The legislation		6
	1.3 Who do we seek to involve?		7
2. PRINCIPLES			
	2.1 For people we seek for involvement		7
	2.2 For people who are in receipt of state benefits		7
3. ROLES AND RESPONSIBILITIES			
	3.1 The MHRN and regional Hubs		9
	3.2 Good practice procedures		9
	3.3 People who get involved		10
4. PAID INVOLVEMENT			
	4.1 Involvement activities that will be paid		10
	4.2 Involvement activities that will not be paid		10
	4.3 Payment rates	Chart	11
	4.4 Paid involvement and the benefit system		11
		4.4.1 Informed choice	12
		4.4.2 Process of enabling informed choice	12
		4.4.3 Averaging payments	13
		4.4.4 Avoiding 'notional earnings'	14
		4.4.5 Payments to third parties	15
5. DIFFERENT FORMS OF ENGAGEMENT: BENEFIT RULES, TAX & EMPLOYMENT LAW			
	5.1 Voluntary involvement		15
	5.2 Once-off involvement		16
	5.3 Intermittent paid involvement		16
	5.4 Paid involvement for fixed term project		17
	5.5 Person is self-employed		17
6. EMPLOYMENT LAW ISSUES			
	6.1 Casual workers rights		18
	6.2 Terms and conditions		18
	6.3 PAYE, tax and NI		18
		Part 1 Universities	18
		Part 2 Not universities	19
	6.4 Chart: Different terms of engagement		21
7. COVERING OR REIMBURSING EXPENSES			

	7.1 Who will have their expenses covered or reimbursed?		22
	7.2 Which expenses will be covered or reimbursed?		22
		7.2.1 Travel costs	22
		7.2.2 Accommodation	22
		7.2.3 Subsistence	23
		7.2.4 Replacement carer or child-care	23
	7.3 Expense may be treated as earnings		23
		7.3.1 Expenses reimbursed to volunteers	23
		7.3.2 Expenses reimbursed to people who are paid	23
	7.4 Procedures to cover expenses		24
	7.5 Procedures to reimburse expenses		24
	8. IF THERE ARE PROBLEMS		25
	APPENDICES		
Step 1 APPENDIX I Standard letter	One-off involvement		26
Step 1 APPENDIX II Standard letter	Initial offer paid involvement for advice		27
Step 2 APPENDIX III Standard letter	Offer paid involvement when agreed		30
Step 2 APPENDIX IV Standard letter	Offer voluntary involvement when agreed		32
Step 2 APPENDIX V Standard letter	Letter to Jobcentre Plus if person in receipt incapacity benefits		34
Step 2 APPENDIX VI Standard letter	Letter re administration arrangements		36
Step 2 APPENDIX VII Form	Authorisation form		37
Step 2 APPENDIX VIII Standard letter	Letter to child carer etc		38
Step 2 APPENDIX IX Form	Bank details		39
Step 2 APPENDIX X Form	Claim form		41
Step 2 APPENDIX XI	HMRC Circular		42
Step 2 APPENDIX XII Standard letter	When no tax deducted		43
APPENDIX XIII	Staff checklist		45

1. INTRODUCTION

1.1 The Mental Health Research Network

The Mental Health Research Network (MHRN) is part of and funded by the National Institute for Health Research (NIHR) and is one of the Topic Specific Networks of the NIHR CRN CC (NIHR CRN CC stands for: Clinical Research Network Coordinating Centre).

The Network provides the NHS infrastructure to support commercial and non-commercial large scale research in mental health, including clinical trials and is managed by a partnership between the Institute of Psychiatry, King's College London and the University of Manchester.

The Mental Health Research Network aims to coordinate and facilitate the delivery of large-scale research projects that will inform policy and practice as it develops:

- To broaden the scope and capacity of research in mental health, by including the full involvement of service users and carers at every level of the MHRN including research studies that it supports
- To help identify the mental health research needs (particularly in health and social care)
- To develop research capacity through a range of initiatives at a local, regional and national level.
- To involve service users and carers in the work of the MHRN Coordinating Centre and its eight hubs at every level.

This policy relates to activities carried out by [insert hub name]

1.2 The legislation

The Research Governance Framework for Health and Social Care (2005) states that: 'research participants or their representatives should be involved wherever possible in the design, conduct, and analysis and reporting of research'.

Principle 3 of the NHS Constitution (2009) establishes research as an integral part of NHS activities.

1.3 Whom do we seek to involve?

The Mental Health Research Network seeks people for involvement based on their individual personal experiences and expertise.

We seek to involve people who have personal experience of using mental health services or caring for a person who has used mental health services.

We also seek to involve people who have needed but not accessed mental health service and their carers.

2 PRINCIPLES

2.1 For people who we seek for involvement

People who we seek for involvement with the work of the Mental Health Research Network will:

- be paid for their individual personal contribution based on their personal experience if they wish (not as a representative of a charity)
- be offered adequate payments if they wish for involvement as set out in the Mental Health Research Network Adoptions Procedures
- have reasonable out of pocket expenses covered or reimbursed
- be not left out of pocket wherever practicable or put at risk of being financially worse off as a result of involvement
- be able to make an informed choice about involvement rates and terms before committing to involvement (see below for details of the Involvement Helpline and see MHRN Benefit Conditions and Systems)
- be offered payments and reimbursements in a manner that will not exclude people who must comply with state benefit conditions
- be offered payments according to open and consistent criteria that takes into account the level of involvement and the skills and expertise required.
- Wherever possible service users and carers should not be left out of pocket as a result of their involvement with the Mental Health Research Network

2.2 For people who are in receipt of state benefits

The Mental Health Research Network acknowledges the benefit barriers to involvement that may be presented by a complex benefit rules and conditions.

The companion guide ‘**The Mental Health Research Network Benefit Conditions and Systems around Paid and Voluntary Involvement**’ provides supplementary information to this Payment Policy by setting out the benefit rules about voluntary and paid involvement.

Difficulties that are caused to a person wishing to check what they are allowed to do include:

- Benefit rules and earning limits differ according to the benefit received.
- Earning limits may change annually. The year is started when the first episode of earning occurs.
- Some benefits have a separate rule on earnings: a certain amount of earnings in a week is ‘disregarded’.
- Some benefits have both an earnings limit and an earning disregard.
- It is usual for a person to be in receipt of several benefits each of which has different conditions attached.

Jobcentre Plus staff are not usually in a position to advise on benefit conditions for involvement as this is a specialised topic. Many of the free welfare rights advice services such as run by local authorities and the Citizen’s Advice Bureau are not in a position to advise on involvement. If a person inadvertently breaches a benefit condition they may have their benefits reduced or stopped pending an enquiry.

For this reason, the MHRN Coordinating Centre subscribes to the **Involvement Helpline**. This is a specialised telephone welfare rights advice service provided by Milton Keynes Citizens Advice Bureau. Advisors are trained in involvement issues. They provide confidential, personalised and professional advice to anyone who is considering paid or voluntary involvement with the health or social care organisations that subscribe to the service

People who are in receipt of state benefits will be offered information and assistance (in the form of access to the Involvement Helpline and the Mental Health Research Network Benefit Conditions and Systems around Paid and Voluntary Involvement document so that they can make an informed decision as to what levels of payment they can receive for any involvement work that they carry out with the MHRN.

The **[insert hub name]** will vary offers of involvement so that these are acceptable to people on benefits provided that service users establish via the Involvement Helpline or otherwise the amount of money that they can receive for the work that they perform

People may choose:

- the payment rate per hour or may choose to volunteer if they wish;
- to have their travel tickets pre-booked by the **[insert hub name]**
- to have a child carer or replacement carer paid directly if needed.

3 ROLES AND RESPONSIBILITIES

3.1 The [insert hub name]:

- Have a responsibility for the health and safety of any individual who is involved in their work
- Have a responsibility under the Data Protection Act 1998 to ensure that the individual's rights regarding the use of personal data are protected
- Have a responsibility to provide people with support and training wherever practicable to enable effective involvement
- Will offer people who are in receipt of state benefits access to Involvement Helpline where appropriate and the Mental Health Research Network Benefit Conditions and Systems around Paid and Voluntary Involvement document where appropriate so that they make an informed decision about involvement before committing to involvement
- Will offer involvement in a manner that does not present unnecessary benefit barriers as agreed with the individual; this may be voluntary, or paid at a rate lower than the standard rate offered. Procedures for avoiding notional earnings are as set out in paragraph 4.4.4; procedures for avoiding reimbursed expenses being treated as earnings as set out in paragraph 7.3. NB NHS Trusts may be able to make use of changes to benefit rules for involvement as set out at the end of paragraph 7.3.2

3.2 Good practice procedures

The [insert hub name] will ensure that:

- A copy of this policy will be made available to people who are considering involvement with the MHRN on request
- Role descriptions for involvement will be provided where appropriate
- Individual payment records will be kept and will be available on request
- The implementation of the policy will be monitored by the MHRN Coordinating Centre, through feedback from service users and will amend the policy accordingly
- The policy is updated annually for any changes to employment legislation and benefit rules
- Ad-hoc arrangements that are outside of policy will not normally be allowed. An example of where ad hoc arrangements may be permitted is where service users and carers not in receipt of welfare benefits carry out substantial pieces of work. In such cases, it may be appropriate for the relevant hub manager to authorise a rate of payment that is proportionate to the nature of the work being carried out.

3.3 People who get involved:

Are, if in receipt of state benefits, responsible for taking up and following welfare rights advice and keeping to their benefit conditions

- Are , if in receipt of state benefits, responsible for notifying Jobcentre Plus, as required, of plans for voluntary or paid involvement and the amount of payments
- Are responsible for notifying HM Revenue and Customs of payments received where this is required (See paragraph 6.3).
- Should choose the most cost-effective travel available to them

4 PAID INVOLVEMENT

4.1 Involvement activities that will be paid include:

- Membership of a hub executive
- Contributions to publications such as newsletters
- Membership of a hub service user reference group
- Membership of Steering Groups for individual Research Studies
- Presentations and talks as commissioned
- Social research and qualitative studies
- Taking part in a focus group
- Presenting or facilitating an event at a conference or seminar

Please note: this is not an exhaustive list.

4.2 Involvement activities that will not normally be paid

- Attending a conference or seminar
- Participation in a research study

4.3 Payment rates

Each of the MHRN hubs will make payments at levels which is set out in the hubs host university or NHS trust payment policy for service users and carers. Different rates may be applicable to different forms of involvement with differing levels of responsibility

Insert the activities and payment rates in the following table to those that may be applicable within the hub. We suggest that payments may be made for three broad areas of work (attendance at committee meetings, peer reviewing, and ‘other tasks’.

However, the following table need not be used and hubs are free to use whatever format they choose.

Committee Meetings	
Preparation and attendance at a meeting such as the hub service user and carer steering group	Fee £X
Peer Review	
	Fee £X
Other tasks	
Writing patient materials for study	Fee £X
Attending relevant external training course / conference/event	No fee is normally payable although payment may be made at the discretion of the relevant hub manager Pay for the cost of the training or event and reimburse travel and accommodation costs where agreed in advance

Expenses should always be agreed with a member of MHRN staff in advance.

The minimum rate of pay for involvement should not be less than £6 an hour.

Payments must include payment for any additional time that is required of service users such as for preparation.

4.4 Paid involvement and the benefit system

4.4.1 Informed choice

A key principle of this Payments Policy is that people who are considering involvement must be able to make an informed choice about involvement rates and terms before committing to involvement.

People who are in receipt of state benefits may not be able to agree to involvement if the rate of pay that is offered is more than is allowed by their benefit conditions. But because of the complexity of the benefit system people must get welfare rights advice first to check their benefit conditions and find out how much they can be paid.

When the individual has been advised of the rate of pay and hours of involvement that will not impact on their benefit entitlement they will be able to let the **[insert hub name]** know what they agree to.

Some people may say that they prefer to be involved on a voluntary basis.

The lowest amount that can be offered per hour is £6. Involvement must be either paid or voluntary.

NB Law does not allow for a combination of paid activity and voluntary activity. The person must either be paid for all the hours of involvement or unpaid for all the hours of involvement.

4.4.2 Process of enabling informed choice

The process of enabling people who are in receipt of state benefits to make an informed choice for involvement pay rate and hours must be carried out in two stages.

Step 1

An initial informal offer of involvement is made. See letter Appendix II page 27. The letter makes an offer of involvement setting out the proposed rate of pay, the hours, the frequency of involvement events, and proposed means to cover or reimburse expenses.

The person is given information about the Involvement Helpline and offered access to the confidential advice service if appropriate. The person obtains the advice and makes a considered decision. They tell the **[insert hub name]** if they agree to getting involved and how much they will accept as payment. They will say if they want their expenses covered or reimbursed.

Step 2

The Coordinating Centre or Hub writes a formal letter offering involvement at the rates agreed. See letter Appendix III page 30. If the person does not want to be paid the letter offering voluntary involvement can be used. See letter Appendix IV page 32. The letter offering payment or voluntary involvement can be used to provide to Jobcentre Plus. The letter also sets out the expenses that will be covered or reimbursed.

If the person is in receipt of state benefits because of ill-health or disability they should also be provided with a letter addressed to Jobcentre Plus that explains why involvement is not the same as work and why it cannot be used as a measure of capacity for work. The person can enclose this letter with letter of offer when notifying Jobcentre Plus as they are required to do. After these procedures are completed the Coordinating Centre or Hub can then deal with matters such as obtaining tax details if this appropriate, and claim forms etc. See the staff check list on page 52 that can be used as an aide memoire.

It is absolutely essential that the person who has agreed to involvement can advise Jobcentre Plus of the involvement, before contact with HMRC is made. **This is because if HMRC is informed that a person has been added to PAYE and is provided with their details, there is an assumption that they have started full-time employment. HMRC notify Jobcentre Plus who in turn stop benefit payments.**

4.4.3 Averaging payments

There is a helpful benefit rule that allows weekly payments to be treated as averaged over a longer period of several weeks. This enables a person to be paid more than the weekly limit in one week if they are not involved or involved for a lesser amount in another week. The **[insert hub name]** will consider if involvement can be arranged where possible in order to make use of the benefit-averaging rule.

If there is any doubt as to how to use the averaging rules then please consult with the MHRN Coordinating Centre or consider making a referral to the Involvement Helpline.

The benefit rules on averaging are set out in the Jobcentre Plus guide for their staff as follows:

'The weekly amount of a person's income may be averaged if the income varies or the regular pattern of work means that the claimant does not work every week, over:

- *A complete cycle if there is a recognisable cycle of work, **or***
- *Five weeks, **or***
- *Another period if this means a more accurate weekly amount can be calculated.
Hours of work or paid involvement can be averaged as well.*

Hours of work or paid involvement can be averaged as well.

Even where averaging has been agreed by Jobcentre Plus where people are in receipt of benefits because of health problems it is inadvisable to exceed 16 hours a week in paid involvement on a regular basis as an individual may be thought to have recovered and be sent for a review of their entitlement.

If involvement sessions are arranged at intervals of two weeks (for instance) the individual who is subject to a benefit limit of £20 a week earnings, may be able to offer involvement every two weeks up to a payment limit of £40.

If the higher limit of Permitted Work applies, some people may be able to earn £93 a week or £186 a fortnight¹ if averaging is agreed. **At the moment only a tiny percentage of people on benefits can earn this higher amount without housing benefits being reduced.** From April 2010 housing benefit rules on earning limits for Permitted Work are being raised to match the benefit limit of £93 a week for some but not all benefits. Many more people will have this option available. The option is usually available for one year. See Benefit conditions and systems 1. Permitted Work for the details.

The individual must send a copy of the letter offering involvement from the Coordinating Centre or Hub, to Jobcentre Plus and ask for the payments to be averaged. This must be done well in advance of the time that involvement is due to start. If the Involvement Helpline has provided advice the advisor will offer to do this on behalf of the individual.

Jobcentre Plus has in certain cases agreed that people who are in receipt of Pension Credit can have earnings averaged over one year.

4.4.4 Avoiding 'notional earnings'

Service users who are in receipt of state benefits are required to provide Jobcentre Plus with written evidence of an offer of payment for a service.

If the offer of payment is above the weekly financial limit allowed, the person may have their benefits stopped even though they refuse the offer and accept a lower amount or nothing. This is described as 'notional earnings'.

When the **[insert hub name]** offers involvement in a letter it is absolutely essential to only offer an amount that the person has already agreed after getting advice on their benefit conditions. See 4.4.2 Process of enabling informed choice.

¹ **But if Local Housing Allowance or Housing Benefit and Council Tax Benefit are claimed Permitted Work must be notified to the local authority/council. Housing cost benefits are reduced by 85pence for every £1 earned over £20 a week. Jobcentre Plus now liaise closely with local authority/council Housing Benefit Department. It is best to notify the Housing Benefit Department of any earnings over £20 a week at the same time as you notify Jobcentre Plus of Permitted Work.**

NB A change to benefit rules on 'notional earnings' in involvement was made in October 2009. Unfortunately the change only applies where paid involvement is with a public authority that is required by law to involve service users. The change abolished the application of notional earnings for paid involvement. Two sets of guidance on the changes have been issued for Jobcentre Plus staff and can be downloaded

.It is important to check very carefully if notional earnings would be applied or not to paid involvement with your organisation.

This change to benefit rules does not apply to paid involvement with the MHRN.

<http://www.dwp.gov.uk/docs/m-37-09.pdf> <http://www.dwp.gov.uk/docs/m-34-09.pdf>

4.4.5 Payments to third parties

Where a person requests that a payment that is due to them is made to a third party instead, that may be another person or an organisation or a company, the benefit rules will treat the payment as if it were made to the person. Jobcentre Plus may see this as an attempt to defraud. For this reason the Coordinating Centre or Hub will not usually make payments to third parties.

5 DIFFERENT FORMS OF ENGAGEMENT: BENEFIT RULES ON PAYMENTS, TAX & EMPLOYMENT LAW

5.1 Involvement that is voluntary

'Voluntary' means that there is no payment for a person's time.

Benefits:

People who are in receipt of state benefits are allowed to do voluntary work or involvement for as many hours as they wish. Some will have to get prior permission. All must notify Jobcentre Plus. It is advisable for people on incapacity based benefits to restrict their hours of voluntary involvement to less than 16 hours a week as Jobcentre Plus may doubt that they are still incapable of work if they do more.

Tax:

Where there is no payment for a person's time there is no tax due.

Employment law:

Employment law does not apply to voluntary work or voluntary involvement. It may be described as volunteering or as voluntary work. A volunteer's agreement can set out the arrangements that are made for continued voluntary involvement. If involvement is with a non-profit making charity or statutory organisation a contract can be offered, but this not required.

Training necessary for the voluntary work or involvement can be provided.

NB If any payment is made, other than for reimbursed expenses, then the involvement is not treated in law as voluntary. Benefits may be affected.

5.2 Once-off involvement

‘Once-off’ means for one day only, for an organisation with which the person has done no paid work or involvement in the same financial year. A gift of money can be made in appreciation.

Benefits:

people on state benefits can get involved as a once-off and receive a gift of money and their benefits will not be affected. This is providing that the gift of money does not take their capital (savings) over the limit of £6,000. A thank you letter must be provided that can be used to show Jobcentre Plus if asked. See Appendix I page 26.

Tax:

HMRC have confirmed that they do not want to be notified about a ‘once-off’ gift of money in these circumstances. Neither tax nor National Insurance need be deducted.

Employment law:

employment law does not apply.

5.3 Paid involvement (when the once-off rule does not apply)

Benefits:

People on state benefits must get welfare rights advice on the amount they can be paid without affecting their benefits prior to committing to involvement even for one occasion. They must advise Jobcentre Plus of the amount that they will be paid.

Tax:

HMRC will decide if they wish to be notified of intermittent participation in research. If a University is conducting the research it may be possible to obtain an exemption from notifying HMRC of the person’s details. See 6.3 below. Other organisations will be required to obtain the details of a person who is paid for intermittent involvement. Tax may be deductible depending on the level of payment and personal tax code.

Employment law:

employment law (as for employees) is unlikely to apply if involvement is intermittent and infrequent. Verbal arrangements are all that is required.

The National Minimum Wage Act applies. If involvement is to be arranged on a frequent basis advice should be taken from your HR department.

5.4 Paid involvement for fixed term project

Benefits:

people on state benefits must get welfare rights advice on the amount they can be paid without affecting their benefits prior to committing to involvement. If the amount offered as a weekly payment is more than their total benefit income they might want to consider coming off benefits for the duration of the project. They may be able to use a benefit linking rule that guarantees a return to benefits at the same rate as before providing their GP will sign another certificate. See Step 4 of '**Benefit Conditions and Systems**'. If they stay on benefits they must advise Jobcentre Plus of the amount that they will be paid and the frequency of involvement events.

Tax:

HMRC will require the details of a person who is paid for regular involvement. Tax may be deductible depending on the level of payment and personal tax code.

Employment law:

If paid involvement activity requires a commitment for the duration of a finite project then ends, then some aspects of employment law may apply and advice should be taken from the relevant HR department if there is any doubt. The National Minimum Wage Act applies.

5.5 Person is self-employed and is asked to be involved as set out above in 5.3 or 5.4 or 5.5

Your HR Department will have procedures for checking if a person is registered as self-employed with HMRC.

Benefits:

Where a person is self-employed they may none-the-less be in receipt of certain benefits such as for housing costs and Tax Credits. They may need to get welfare rights advice on the amount they can be paid without affecting their benefits prior to committing to involvement. They may need to ask for a different amount than expected based on the advice they receive. If they receive housing benefits they must advise the local authority of the amount that they will be paid and the approximate frequency of involvement events. If they receive Tax Credits they may or may not need to obtain advice on paid involvement.

Tax:

A self-employed person is responsible for their own tax. No tax or National Insurance should be deducted.

Employment law:

Holiday pay, sick pay, maternity and paternity pay are not payable to people who are self-employed. HR should be consulted and asked if a contract is required.

6. EMPLOYMENT LAW ISSUES

6.1 Casual workers' rights

If your HR department advises that the frequency of paid involvement means that the person has become effectively a 'casual worker' they will acquire, in law, core rights to:

- Payment of at least the minimum wage rate
- Provision of written terms and conditions within two months of starting
- Independent employment advice
- Protection against unfair discrimination
- Health and Safety protection
- Working time rights (including breaks and holiday pay pro-rata) regardless as to whether people claim benefits or not.
- Join a Union

Where paid involvement is part-time and intermittent holiday pay is pro-rata calculated on the basis of full-time entitlement. Since April 2009 full-time work gives a statutory entitlement of 28 days (5.6 weeks) holiday per annum including bank holidays. Holiday pay must be paid at the time the holiday is taken (not as a percentage added to the payment). An annual payment of holiday pay can be made for involvement.

6.2 Terms and conditions

It is advisable for hubs to take advice from their host organisations if there is doubt as to the status of people who are being paid for involvement, because of the frequency and regularity of the involvement.

A Fixed Term Contract or other standard contracts can be supplied by your HR Department.

6.3 PAYE, tax and NI

This section of the guidance is in two parts:

Part 1 for University funded research programmes

Part 2 for NHS Trusts funded research programmes and other organisations

Part 1 University funded research programmes

HMRC have exempted certain University research programmes from deducting tax and National Insurance from payments to service users and carers who assist with research. This means that the University is not required to put people who are paid for involvement on the pay roll or to provide their details to HMRC.

The HMRC circular EIM71105 (See Appendix XI page 42) – ‘Research volunteers, lay participants and participants in clinical trials’ sets out the circumstances that may apply. If these apply to your work then you are not likely to be required to advise HM Revenue and Customs of payments to individuals for involvement.

The Finance Department of the host organisation of each hub that administers payments for involvement work will need to obtain a dispensation from the HMRC to make payments for involvement without deducting tax and National Insurance. The MHRN Coordinating Centre can provide advice and assistance to any hub to obtain such a dispensation from the HMRC.

The Finance Department can send a copy of the circular EIM71105 to the tax office together with a covering letter describing the involvement activities and ask for a ruling.

If tax is not deducted at source

If tax is not deducted by the university, there is personal responsibility for tax and National Insurance on payments. People who are paid for involvement should be advised that they may become responsible for notifying HM Revenue and Customs of payments received at the end of the tax year. They should keep a record of payslips.

HM Revenue and Customs have said that people should check their taxable income at the end of the tax year (up to April 5th). They should calculate their taxable income. This will include payments for involvement (not expenses).

People should be aware that certain state benefits are taxable and that these may count towards the total taxable income. See Appendix XII page 43, for a standard letter to a person where tax was not deductible, with an attached list of taxable benefits.

If the annual taxable income appears to exceed their tax threshold² people should contact their local HM Revenue and Customs office. HMRC will advise the individual and may send out a tax return form if tax may be due.

HM Revenue and Customs have said that they do not want to be contacted or advised of income if the annual total is below the personal threshold.

Part 2 Research that is not University funded (such as an NHS Trust)

An organisation such as an NHS Trust that makes payments to an individual for involvement has an obligation to provide HM Revenue and Customs with the name and address and national insurance number of the individual who is to be paid, in order to ascertain if tax and National Insurance should be deducted from payments.

² A single person's personal tax allowance up to age 65 years is currently £6,475 for year 2009 -2010. Individual tax allowance amounts can be checked on www.hmrc.gov.uk or with a local tax office.

HM Revenue and Customs usually require the organisation that is making payments to a person to obtain the person's details. These may be supplied via a P45 form. If a P45 is not available then the person should be asked to complete a P46 form.

The P46 form is a short form suitable for people who may be in receipt of state benefits. It asks for personal details and about benefits claimed.

Caution!

It is important to note that person who is considering involvement and who is in receipt of state benefits must not be asked to complete the P46 form until they have received welfare rights advice on their benefit conditions and have told the Mental Health Research Network or Hub what they agree to. They must also have advised Jobcentre Plus of the paid involvement and if necessary obtained permission under the Permitted Work rules.

The reason for this process is that HM Revenue and Customs will notify Jobcentre Plus when they receive the P46. Jobcentre Plus will assume the person has commenced employment (rather than part-time intermittent involvement) and may stop their benefits.

The staff checklist of procedures should be used when involving people who are in receipt of state benefits. This checklist is at the end of the appendices.

6.4 Chart showing different terms of engagement

Type of involvement	Payment for time?	Expenses reimbursed?	Agreement or Terms and conditions	Benefit and Jobcentre Plus issues	Tax code required?	Holiday pay pro-rata due?	Entitlement to sick pay, maternity/paternity pay?
5.1 Voluntary	None	Yes if agreed in advance	Letter of agreement	Must be notified	Not applicable	Not applicable	Not applicable
5.2 One-off	Gift of money	Yes if agreed in advance	Letter of thanks	None	None	Not applicable	Not applicable
5.3 Intermittent/ infrequent	Yes	Yes if agreed in advance	Letter making offer HR advice may be required	Must be notified Payment must be below limit and disregard	University no tax code if HMRC agreed exempt Other organisations Tax code required	No	Employment rights unlikely. Consult HR if unclear.
5.4 Regular and weekly or for fixed term project	Yes	Yes if agreed in advance	HR advice required Fixed term contract	Must be notified. Payment must be either below limit and disregard OR if above benefits will stop. Must check if Benefit Linking Rule will protect benefit rates	Tax and NI deductions will probably be required – must liaise with HMRC	Yes	May enjoy employment rights, seek advice from the HR department of the host NHS Trust or university
5.6 Self-employed and involved as 5.3 or 5.4, or 5.5	Yes	Yes if agreed in advance	Consult HR if contract required	If benefits claimed must be notified	No tax or NI deducted	No	No

7. COVERING OR REIMBURSING EXPENSES

7.1 Who will have their expenses covered or reimbursed?

People who are recruited for voluntary, once-off and paid involvement will have their expenses paid for in advance (covered) or reimbursed.

Where people are invited to attend a conference or seminar expenses are normally covered and reimbursed. However, expenses should always be agreed in advance with a member of MHRN staff.

7.2 Which expenses will be covered or reimbursed?

The **[insert hub name]** will cover or reimburse the following expenses, providing these are incurred necessarily for participation and have been agreed beforehand.

The [insert hub name] reserve the right to refuse to reimburse any expenses that have not been agreed in advance of the involvement.

Expenses may be covered when this is requested. Travel tickets may be purchased, transport may be provided, accommodation and subsistence may be paid for directly where appropriate; child-care or replacement carers can be paid directly.

Receipts must be provided for reimbursements, and only the exact costs will be reimbursed.

7.2.1 Travel costs:

- Using public transport where possible and trains at standard class rates (**not first class travel**)
- Taxis/cabs where necessary and by prior agreement of the Mental Health Research Network or Hub staff.
- Your own car at **[insert mileage rate]**. If you are using your own car then you are asked to inform the hub as to the likely mileage prior to travelling so that the hub can approve reimbursement of the expense.

7.2.2 Accommodation:

The **[insert hub name]** can book over-night hotel accommodation for you in advance. A hotel room will normally be booked for a person if they have to travel before 7am or for health reasons.

If you think you will need accommodation, you should ask us to book this for you at least two weeks in advance.

If you wish to book and pay for your accommodation the **[insert hub name]** will reimburse you for a maximum of up to:

- £100 per person per night including breakfast & VAT in London
- £80 per person per night including breakfast and VAT elsewhere

You are asked to inform the hub as to the costs of any accommodation prior to booking so that the hub can approve reimbursement of the expense.

7.2.3 Subsistence:

Meals and snacks are generally provided by the **[insert hub name]** at an event.

Where you pay for meals, snacks, and non-alcoholic drinks during involvement, the exact costs will be covered (paid by the hub or reimbursed of up to a maximum of £X for a meal).

Receipts for the meal must be provided. Credit card receipts are not accepted.

7.2.4 Replacement carer or child-care costs:

If you are a carer, participating in the Coordinating Centre or Hub activities may mean that you will need to arrange a replacement carer whilst you are away. You may be a carer for a person with a disability or for a child. If you have no close relative to provide replacement care, the cost of providing necessary alternative care whilst you are away can usually be covered or reimbursed. You will need to discuss any arrangement in advance.

7.3 Reimbursed expenses may be treated as earnings

Where people who are involved are in receipt of state benefits it is important to be aware of benefit rules that may treat some reimbursements as earnings

7.3.1 Expenses that are reimbursed to a volunteer

Expenses that are reimbursed to a volunteer do not affect benefits as long as these are incurred during the course of the volunteering 'wholly, exclusively and necessarily'. Travel expenses will be ignored.

The cost of childcare or a replacement carer may be questioned and so it is desirable for these costs to be paid directly to the person who provided the service.

7.3.2 Expenses that are reimbursed to a person who is paid

Where a person is paid for involvement some expenses are treated partly or wholly as earnings, and if the payment for involvement and the reimbursement amount total, exceeds the benefit limit on earnings then the excess above the limit is deducted from benefits. This can leave a person worse off as a result of involvement.

NB A change to benefit rules on the treatment of reimbursed expenses for paid involvement was made in October 2009. Unfortunately, the change only applies where paid involvement is with a public authority that is required by law to involve service users. In these circumstances only, reimbursements for expenses are ignored. Two sets of guidance on the changes have been issued for Jobcentre Plus staff and can be downloaded .It is important to check very

carefully if reimbursed expenses would be ignored or treated as earnings for paid involvement with your organisation.

This change to benefit rules does not apply to paid involvement with the MHRN.

<http://www.dwp.gov.uk/docs/m-37-09.pdf> <http://www.dwp.gov.uk/docs/m-34-09.pdf>

7.4 Procedures to cover expenses

As requested the **[insert hub name]** will:

- Buy travel tickets or cards and send these to participants before the event
- Arrange transport through cab accounts where necessary and by prior agreement of the Mental Health Research Network or Hub staff.
- Pay for subsistence and accommodation directly
- Pay a child- carer or replacement carer directly

The **[insert hub name]** is happy to organise this for you whether or not you are in receipt of state benefits.

Where a person to be involved wishes to request arrangements to cover their expenses they should discuss this at least two weeks in advance.

Where a person to be involved requires a replacement carer or replacement child-care, the recruitment and management of the person will be their responsibility. The **[insert hub name]** will require their agreement to the amount and their authority to pay them. There is a form to sign. See Appendix VI page 36.

This form also asks for the contact details of the replacement carer or child-carer so that we can write to them to arrange for payment.

7.5 Procedures to reimburse expenses

People, who have decided to have their expenses reimbursed after the event, should discuss and agree these expenses with the **[insert hub name]** before the event. Unless the expenses are agreed in advance the **[insert hub name]** will not be responsible for reimbursements.

The expenses claim form will be provided. The form must be completed and receipts for ALL expenses must be provided. Only expenses with receipts will be reimbursed.

8. IF THERE ARE PROBLEMS

If at any time problems, arise please contact the **[insert hub name]**. Contact details are given below

[Insert contact details of a member of hub staff]

[In the standard letters for Appendix, I to IX please format the address under the NIHR logo to the correct address for the hub]

APPENDIX I



Mental Health Research Network



National Institute for Health Research

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF

Tel 020 7848 0644

Fax 020 7848 0696

Website <http://www.mhrn.info>

Standard letter:

Thank you for once-off involvement
(Delete the above when formatting)

Date:

Dear

Event name, date: Offer of one-off involvement

Thank you for your interest in participating in this one-off event with the **[insert hub name]**.

Your knowledge and experience of mental health services will be making an important contribution to research.

In appreciation, we would like to provide you with a cash gift of £X as a thank you. As this is a one off gift and you have not been involved with the MHRN before, this will not affect your benefits.

Our policy is to cover expenses that are incurred necessarily, wholly and exclusively in the course of involvement. Please contact me to discuss any necessary expenses that you may incur and whether you will need to be provided with travel tickets and/or transport to attend the event/ meeting.

If you are in receipt of benefits you can show this letter to Jobcentre Plus to explain your involvement with the **[insert hub name]**.

Enclosed is a form for your bank details so that we can make the payment to you. Could you return this in the SAE provided. Thank you.

Please feel free to contact me with any other issues that may concern you.

Yours sincerely

Thank you,

Signed

APPENDIX II




**National Institute for
Health Research**

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF
Tel 020 7848 0644
Fax 020 7848 0696
Website <http://www.mhrn.info>

Date:

STEP 1

Standard letter:

Initial invitation for paid involvement

Purpose: for person to show to Involvement Helpline Advisor before deciding whether to get involved

Dear **(name of person to be involved)**

Thank you for your interest in being involved in the work of the **[insert hub name]** from your personal perspective as someone who has experience of using mental health services.

We are offering you paid involvement at a rate of £X per *(meeting or other function)* on *(please insert the dates in which involvement will take place if known)*. Please note that the payment is intended to cover involvement in preparation that is required before you attend, and any follow up after the meeting such as your notes.

The *(meetings or other function)* will be held *(once only/once a month/quarterly/annually)* and will last for a maximum of x hours.

We will make payments by automated bank transfer monthly in arrears.

Expenses

Our policy is to cover or reimburse expenses that that are incurred necessarily, wholly and exclusively in the course of involvement such as:

- Reasonable travel expenses (see paragraph 7.2 of the Payment Policy)
- Any costs that you will incur as a result of involvement for child care or for a replacement carer

You have 2 options for the costs:

- We can pay for these directly by providing travel tickets or card if you wish and by arranging to pay the child carer or replacement carer directly if you authorise the amount and provide their details

Or

- You can pay these costs and make a claim for reimbursement with receipts

If you are in receipt of benefits you should be aware that part or all of reimbursed expenses are treated as earnings but provision of travel tickets or provision of child care or a replacement carer is ignored.

Benefits that are listed on the following page may be affected by payments for involvement.

The MHRN payments policy can be found online at www.mhrn.info and I enclose some information about the Involvement Helpline.

I look forward to hearing from you when you have decided if you will go ahead with involvement, about the rate of payment and about any expenses.

Yours Sincerely,

Signed

If you are in receipt of any of the following state benefits you can ask to use the Involvement Helpline that is run by Milton Keynes Citizens Advice Bureau, before you decide to help MHRN with our work.

The Involvement Helpline has specially trained advisors who can offer you free phone advice. This is a specialist benefit and tax credit advice service. It provides confidential, personalised and professional advice to anyone who is considering paid or voluntary involvement with the health or social care organisations that subscribe to the service.

- Incapacity Benefit
- Severe Disablement Allowance
- Income Support for incapacity
- Income Support as a lone parent, carer or for any other reasons
- Employment and Support Allowance (contributory or income based)
- Carer's Allowance
- Jobseeker's Allowance
- Pension Credit or Savings Credit
- Housing Benefit
- Local Housing Allowance
- Council Tax Benefit
- Care home costs
- Tax Credits

APPENDIX III



Mental Health Research Network



National Institute for Health Research

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF

Tel 020 7848 0644

Fax 020 7848 0696

Website <http://www.mhrn.info>

Date:

Standard letter:

Offer of paid involvement to people who are in receipt of benefits

(to be made after person has obtained advice on benefits and made an informed decision about the rate of pay and frequency of involvement and manner in which expenses will be covered)

Purpose: for person to be involved to show a copy to Jobcentre Plus

NB Delete the above when formatting letter

STEP 2

Dear **(name of person to be involved)**

Thank you for your interest in being involved in the work of the **[insert hub name]** from your personal perspective as someone who has experience of using mental health services.

We are offering you paid involvement at a maximum rate of £X per *(meeting or other function)* on *(please insert the dates in which involvement will take place if known)*. Please note that the payment is intended to cover involvement in preparation that is required before you attend, and any follow up after the meeting such as your notes.

The *(meetings or other function)* will be held *(once only/once a month/quarterly/annually)* and will last for a maximum of X hours.

We will make payments by automated bank transfer monthly in arrears.

Expenses

Our policy is to cover expenses that that are incurred necessarily, wholly and exclusively in the course of involvement such as: *(Delete as appropriate)*

- Reasonable travel expenses (see Payment Policy paragraph 7.)
- Any costs that you will incur as a result of involvement for child care or for a replacement carer

You have said that we can pay for these expenses directly by providing travel tickets or card and/or transport and by arranging to pay the child carer or replacement carer directly if you authorise the amount and provide their details. I will send you the form shortly.

I look forward to hearing from you.

Yours Sincerely,

Signed

APPENDIX IV




**National Institute for
Health Research**

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF
Tel 020 7848 0644
Fax 020 7848 0696
Website <http://www.mhrn.info>

Date:

STEP 2

Standard letter:

**Offer of voluntary involvement to people who are in receipt of benefits
(to be made after person has obtained advice on benefits and made an informed
decision that they will volunteer their involvement and have decided the manner in
which expenses will be covered)**

**Purpose: for person to be involved to show copy to Jobcentre Plus
NB Delete the above when formatting letter**

Dear **(name of person to be involved)**

Thank you for your interest in being involved in the work of the **[insert hub name]** from your personal perspective as someone who has experience of using mental health services.

We are offering you involvement on a voluntary basis. This means that you will not be paid for your time.

The (meetings or other function) will be held (once only/once a month/quarterly/annually) and will last for a maximum of x hours.

Expenses

Our policy is to cover or reimburse expenses that that are incurred necessarily, wholly and exclusively in the course of involvement such as:

- Reasonable travel expenses (see paragraph 7.2 of Payment Policy.)
- Any costs that you will incur as a result of involvement for child care or for a replacement carer

(Delete as appropriate)

You have said that we can pay for these expenses directly by providing travel tickets or card and/or transport and by arranging to pay the child carer or replacement carer directly if you authorise the amount and provide their details. Please see attached letter and forms.

I look forward to hearing from you.

Yours Sincerely,

Signed

APPENDIX V




**National Institute for
Health Research**

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF
Tel 020 7848 0644
Fax 020 7848 0696
Website <http://www.mhrn.info>

Date:

STEP 2

Standard letter:

Give this letter to the person involved to provide Jobcentre Plus if they receive incapacity based benefits or Employment and Support Allowance

Purpose: Prevent recruitment for involvement being mistaken for recruitment for employment and incapacity status being questioned and Jobcentre Plus sending the person for an additional Personal Capability Assessment. This letter is to be given to the person who uses services to use if they wish (not sent to Jobcentre Plus)

(Delete above before sending out letter)

To: Jobcentre Plus

Dear Sir or Madam

I am writing to you to advise you about the 'involvement' of (name of person) with the **[insert hub name]** so as to prevent any misunderstanding.

The Mental Health Research Network (MHRN) is part of and funded by the National Institute for Health Research (NIHR) and is one of the Topic Specific Networks of the NIHR CRN CC (Clinical Research Network Coordinating Centre).

The Network provides the NHS infrastructure to support commercial and non-commercial large scale research in mental health, including clinical trials and is managed by a partnership between the Institute of Psychiatry, King's College London and the University of Manchester.

The Mental Health Research Network aims to coordinate and facilitate the delivery of large-scale research projects that will inform policy and practice as it develops:

- To broaden the scope and capacity of research in mental health, by including the full involvement of service users and carers,
- To help identify the mental health research needs (particularly in health and social care),
- To develop research capacity through a range of initiatives at a local, regional and national level.

We recruit people for involvement because of their personal experience of using mental health services. Recruitment for involvement should not be confused with recruitment for employment.

Involvement is part-time, usually less than three hours in any one week, and may be voluntary or paid. Due to the nature of involvement we expect that the person who is involved will prepare for a meeting or event in advance, and will need to follow up after the meeting with notes and discussion. Any payments are intended for all three stages of the involvement meeting or event.

Participation is supported so that people who are unable to work can participate and talk about their experiences of using mental health services. We are particularly concerned that involvement is not mistaken to represent capacity for work.

Yours Sincerely,

Signed

APPENDIX VI



Mental Health Research Network



National Institute for Health Research

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF

Tel 020 7848 0644

Fax 020 7848 0696

Website <http://www.mhrn.info>

Date:

STEP 2

Standard letter:

Covering letter to person to be involved for administrative arrangements

As relevant this letter will contain:

- **Fee and/or expenses claim form**
- **Bank details form**
- **Authorisation of payments to child carer or replacement carer form**

(delete the above when formatting letter)

Dear (name of person)

Thank you for agreeing to be involved with the **[insert hub name]**. There are some administrative arrangements to be made. Enclosed is the claim form for payments and/or expenses and your bank details form. Please can you complete and return these.

As relevant

You have asked us to pay your child carer/replacement carer directly. Please could you complete and return the enclosed form.

Should you have any questions about these arrangements please do not hesitate to contact me at the above number.

Yours sincerely

Signed

APPENDIX VII



Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF
Tel 020 7848 0644
Fax 020 7848 0696
Website <http://www.mhrn.info>

Date:

STEP 2

Authorisation to pay a child carer or replacement carer

Purpose: confirmation of responsibility for the management of child carer or replacement carer and authorisation of payment

(delete above when sending out)

I confirm that I am responsible for the management of (name of child carer or replacement carer) who provided/who will provide services for me on (insert date) to enable me to undertake involvement with the **[insert hub name]**. I confirm:

Rate of pay per hour £.....

Number of hours to be worked

Total: £

Payment should be made to (insert name of child carer or replacement care) for their work after the involvement event

Address of child carer or replacement carer.....

Authorised by:

(name of the person involved).....

Signature.....

Authorised by MHRN

(name of member of staff)

Signature.....

Date

APPENDIX VIII



**National Institute for
Health Research**

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF
Tel 020 7848 0644
Fax 020 7848 0696
Website <http://www.mhrn.info>

Date:

STEP 2

Letter explaining the process of reimbursement to a child carer or replacement carer

Purpose: make arrangements to pay them
(delete the above when sending out)

Dear (name of person)

I understand that you have provided/will be providing support services for (insert name of person who has been involved) to enable them to be involved in the work of the **[insert hub name]**.

The **[insert hub name]** will be paying you directly for the services you provided. The purpose of this letter is to tell you about the process for payment.

Please note this is not a contract with the **[insert hub name]**. Therefore, you will need to arrange to pay your tax and National Insurance contributions.

With this letter is a form completed by (insert name of person), authorising us to pay you, a form requesting your bank details, and a stamped addressed envelope (SAE).

Please complete all of the enclosed paperwork and return everything to us in the SAE.

Payment will be made either by BACS directly into your bank account or by cheque

Many Thanks

Best wishes, (insert staff name)

APPENDIX IX



Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF
Tel 020 7848 0644
Fax 020 7848 0696
Website <http://www.mhrn.info>

Date:

STEP 2

**Purpose: to get the bank details of any person that will receive a payment directly.
(delete above before sending)**

BANK DETAILS FOR PAYMENTS

Name:.....

Address:.....

Description of activity undertaken / attended:
.....

Date of activity undertaken:.....

Amount Claimed: £.....

Payment method (please tick preferred payment method)

BACS	CHEQUE
------	--------

Please complete if you want your expenses paid directly into your bank account:

Bank Account name (Account holders name as it appears on bank statement or cheque book):

.....

Bank/ Building Society

Sort code (6 digit no)

Account No (8 digit no)

Reference (building society only)

Please complete if you want your expenses to be paid by cheque:

Cheque to be payable to(name of account)

Signature Date.....

APPENDIX X

STEP 2

EXPENSES CLAIM FORM

[Insert claim form from the hubs host university or NHS trust]

APPENDIX XI

STEP 2

HM Revenue and Customs Circular

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

See [EIM71100](#) for general guidance on the treatment of volunteers and unpaid office holders.

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.

APPENDIX XII




**National Institute for
Health Research**

Department of Psychology PO77
Institute of Psychiatry
King's College London
De Crespigny Park
London
SE5 8AF

Tel 020 7848 0644

Fax 020 7848 0696

Website <http://www.mhrn.info>

Date:

STEP 2

Standard letter: for people where no tax has been deducted because of HMRC exemption for Universities that conduct research

Dear (name of person)

HM Revenue and Customs has advised that Universities that conduct research need not deduct tax and National Insurance from payments for some types of participation and involvement in research studies.

HM Revenue and Customs have advised that people who are in receipt of payments for involvement may or may not be liable for making tax payments. This will depend on the level of your annual income from 6th April and your personal tax threshold. It is therefore your responsibility to check if your annual taxable income is below your tax allowance at the end of the tax year.

A personal tax allowance for the year 2009 -2010 is £6,475.00 up to age 65 years.

Please be aware that if you are in receipt of state benefits some of these are treated as taxable income. A list follows on the next page.

If your annual taxable income is below the threshold HM Revenue and Customs have said that they do not want to be informed. If your annual taxable income is above the threshold you should contact your local tax office who will advise you. Yours sincerely

Signed

State benefits that are taxable

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
- 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. If you are not sure of the name of the benefits you receive you may wish to check with the Involvement Helpline.

APPENDIX XIII



MHRN Staff checklist with procedures for access to the Involvement Helpline for people in receipt of state benefits

1. Introduction

The staff checklist is an aide memoire that can be copied and used for people when they are recruited for involvement if they are in receipt of state benefits. This will not be necessary where a person is not in receipt of benefits. The aide memoire can be helpful if the process of induction runs over several weeks and as a handover tool for holidays and sickness.

The staff checklist should be read in conjunction with the Payment Policy paragraph 4.4.2 'Process of enabling informed choice' for referring people to the Involvement Helpline.

Name of person enquiring about involvement

.....

Address and contact details

.....
.....
.....
.....

Name of MHRN staff member

.....

Action	Tick when action taken, record agreement of person to rates of payment etc Put date	Responsibility
Initial contact is made with a person to clarify that they are, or thinking about getting, involved with research.		
<p>What involvement are you requesting:</p> <ul style="list-style-type: none"> • Once-off? - Send letter Appendix I page 26 Plus the bank details form Appendix IX • Paid (one event only arranged) - Send letter Appendix II page 27 + Payment Policy +Helpline leaflet • Paid intermittent - Send letter Appendix II page 27 + Payment Policy +Helpline leaflet if appropriate • Fixed term contract (consult with HR for contract) Send letter outlining duration of fixed term contract and proposed payment and ask for meeting to talk it through 		
<p>Step 1 If person is to be offered access to the Involvement Helpline decides to use it provide them with:</p> <ol style="list-style-type: none"> 1. The details of how to contact the service, and procedures 2. Offer to fax/email the Helpline with the initial offer of involvement 3. The benefits checklist that the person can complete and return directly to the Involvement Helpline <p>These documents can be sent through the post or via email whichever is preferred. Please note the Involvement Helpline documents run to a number of pages so people may prefer a hard copy.</p>		

<p>The individual should be advised that:</p> <ul style="list-style-type: none"> • the Helpline needs information about their benefits in order to provide the advice. If they are not sure about completing the benefits checklist they can talk to the Helpline advisor about this instead. • the person answering the phone initially will be an administrator, not an advisor. The administrator will ask the individual when it would be convenient for the advisor to call them back 		
<p>Contact the Milton Keynes Administrator Lisa Tibbles on lisa.tibble@mkcab.org.uk or 0800 652 0942 to advise her that the person concerned will be getting in touch.</p>		
<p>Step 2 The person should be contacted after 2 weeks. You should ask them if they have received advice from the Helpline and have come to a decision about involvement. If they have received the advice and come to a decision you should ask them:</p> <ul style="list-style-type: none"> • What involvement they are willing to do – hours and frequency • The rate of pay they will agree to • If they have asked the Helpline advisor to obtain agreement of Jobcentre Plus to averaging payments and how long this might take • Expenses that they will require • The manner in which the expenses are to be covered • Any further details that may be required for administrative reasons, such as: travel tickets and/or transport arrangements that are required 		
<p>Write letter of offer of involvement to person as agreed (See Appendix III for paid offer or Appendix IV for offer of voluntary involvement) They need this letter in order to notify Jobcentre Plus. Enclose: Standard letter addressed to Jobcentre Plus Appendix V for person to use if they are in receipt of incapacity benefits</p>		

ADMINISTRATIVE ARRANGEMENTS		
Prepare pack to send person that includes: ➤ Covering letter plus SAE And as relevant		
➤ Travel tickets or cards and/or transport		
If child care or replacement carer required and they will be paid directly send ➤ Form for responsibility for management and authorisation of payment form Appendix VII		
➤ Bank details form		
Determine: is the person covered by the HMRC exemption (no tax deductions) ➤ Send explanatory note and list of taxable benefits Appendix XII or do you need their details for a tax code If tax code required ➤ send P46 form for completion		
If a fixed term contract is appropriate send two copies and SAE for signed copy to be returned		
FOLLOW UP		
When name and address of child carer or replacement carer are received send them with SAE: ➤ covering letter Appendix VIII page 38 ➤ bank details form to complete		