

## **Common HE Roles and Standard Tax Treatment**

The purpose of this guidance is to simplify the decision process in terms of the employment status of certain roles which are common throughout the HE sector. The document has been presented to HMRC for information in the spirit of cooperation and courtesy by the BUFDG. HMRC have not formally endorsed or approved the document, however, neither have they raised any objection to the “usual tax treatment” set out in it. The University may therefore use the document as a source of reference, bearing that in mind.

It should be emphasized that this guidance is for BUFDG members only and HMRC have stated that where there is specific guidance provided as set out, for example, in the Employment Income or Employment Status Manuals, with regard to particular roles, such guidance will always take precedence over this list.

Please note that this is not a list of all roles that may exist in the University, it includes the most commonly used roles within the HE sector. Please liaise with the Finance Operations Manager if you have any queries about any roles. You will also need to consult Procurement where this is applicable.

	Role	Criteria/Circumstances (Sector Guidance)	Usual treatment for tax purposes	Comments/Notes for Bucks	Link to guidance
1.	Substantive salaried employees	Includes remuneration for all work done that is related to their job description.	On payroll		
2.	Atypical employees	Includes external project/research funded roles.	On payroll	Opted in to LGPS/TPS pension if/when contract reaches 3 months or more.	<a href="#">Atypical employee guidance</a>
3.	Full time or part time lecturers	Includes remuneration for all work done that is teaching related – such as preparation for teaching, setting and marking of projects and assignments, setting and marking of examinations, supervision of examinations, completion of registers, provision of data and related course administration, and keeping up-to- date with knowledge of the subject, seminar support, field trip supervision, student interviews, curriculum development, demonstrating.	On payroll	Also applies for distance learning tutors.  Also applies for Disability tutors	
4.	Associate Lecturers	Contribute to delivering curriculum, has pastoral responsibilities for students and setting/marking work.	On payroll	Automatic enrolled in to TPS pension (dependent on status of main pension enrolment)	<a href="#">Associate Lecturer guidance</a>
5.	Visiting/Guest Speaker  (including international visiting lecturers/speakers)	Delivering session conducted by a subject specialist, e.g. employability skills.	Supplier  (if exceeds 5 sessions per term, or 14 per annum, they need to	A session could be an hour or a whole day that involves teaching one group on one day or part thereof. The visiting lecturer will have no one-to-one interaction with students, would not set assignments and would not undertake any marking.	<a href="#">Self-employed contractor approval process</a>  <a href="#">Associate Lecturer guidance</a>  <a href="#">Procedure for deciding employment status</a>

			be Associate Lecturers)	If the frequency limits are exceeded, or expected to be exceeded from the outset, payroll deductions will be required.  Excludes follow up assessments and marking.	
6.	Industry Expert	Delivery of a one-off training session/workshop. No follow up assessments.	Supplier	Treatment will be similar to that for visiting/guest speaker, as above. Follow up assessments and marking not expected.	<a href="#">Self-employed contractor approval process</a>
7.	Student mentors and counsellors	Engaged to work with specific students or a specific course with multiple students	On payroll	Purpose of engagement may, for example, relate to the circumstances/background of the particular student(s) and involve their well-being or encouragement of the student rather than be related to the content of the course.  ESS exercise required if contract not on payroll.	
8.	Coaches/gym or fitness class instructors	Run a class or coach an individual, sports team, etc.	Off Payroll/On Payroll	Instructors engaged on a sessional basis and paid for class only with no guarantee of work. Classes can be cancelled at short notice.	
9.	Consultants (including IT consultants)	Because this description covers a wide range of potential scenarios, treatment will vary.	Depends on role and nature of engagement  <u>Outside the scope of IR35 – Supplier</u> (includes Practice Educators, PEPS Assessors, Mentors and Consultants)	<b>Where suppliers are undertaking work on a temporary basis which exceeds £5K +VAT there will be a requirement to tender or provide competitive quotations.</b> Each case will need to be reviewed separately by reference to the following key factors: - What right of control does the university have over the consultant's work? - How clear are the deliverables, and what about payment (or not) for rework?	<a href="#">Procedure for deciding employment status</a>  <a href="#">IR35 guidance for Personal Service Companies</a>  <a href="#">IR35 guidance for Individuals</a>

			<p><u>Inside the scope of IR35</u></p> <p>Individual – On payroll</p> <p>PSC (Personal Services Company) – Supplier – Contractor Inside IR35</p>	<ul style="list-style-type: none"> <li>- How will the consultant be paid e.g. set fee for task/project, or daily/time-based rate?</li> <li>- For how long and how much is the consultant being paid?</li> <li>- Is the consultant doing work for other engagers on a similar basis?</li> <li>- Is the consultant integrated into the university (e.g. appears on internal email/telephone lists, provided with dedicated office facilities, has management responsibility for university staff etc.)?</li> <li>- Does the consultant have a business infrastructure e.g. business bank account, helpers/employees, VAT registration, non-home- based office address etc.?</li> <li>- Does substitution happen in practice?</li> </ul> <p>HMRC's ESS tool (<a href="https://www.tax.service.gov.uk/check-employment-status-for-tax/setup">https://www.tax.service.gov.uk/check-employment-status-for-tax/setup</a>) may be used to provide an indication of the employment status implied by the facts of the particular engagement. If self-employment is the indication output, the tool result documentation should be retained to provide evidence in the event of future HMRC enquiries.</p> <p>To use IT consultants as an example, where the worker trades as a sole proprietor or via a PSC or Partnership, is required to provide personal service and works on site carrying out day to day tasks or specific projects,</p>	
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				experience suggests it is likely that employed status or IR35 will be in point. However, it may be possible for some IT consultants to be considered for self-employed status or outside scope of IR35 if engaged on a short-term project with a specific, limited deliverable and a set price for the project rather than a daily or time-based rate. ESS tool exercise would be required for guidance in these circumstances.	
10.	Agency worker	Individual is engaged via an employment agency to cover for a specific role, carry out a particular project etc.	Supplier	Determine type with agency, i.e. whether the engagement would have been within or outside IR35 if BNU engaged the worker directly – expectation is that they would be within IR35. The worker should be on the payroll of the agency. As part of its general contractual arrangements with agencies, the university will need to inform the agency that the intermediaries' legislation/PAYE regulations apply to the engagement.	<a href="#">IR35 guidance for Personal Service Companies</a>
11.	Medical assessments (e.g. Occupational Health, occupational therapy, physiotherapy, mental health counsellors)	The University refers an individual for medical assessment to an independent third party	Supplier	Assessment carried out at a mutually convenient time for individual; commercial terms are paid by the university and, typically, several different assessors will be used to carry out the assessments across the university's population, depending on expertise, availability etc.	<a href="#">IR35 guidance for Individuals</a>
12.	Disability Assessors	Individual carries out an assessment of students and paid a set-rate per assessment. Series of one-off or ad hoc engagements	Supplier	Support for students. One off assessors. Not tutors. If the engagement is not ad-hoc in nature ie individual regularly attends the University each week and/so is paid other than on a per	<a href="#">IR35 guidance for Individuals</a>

				assessment basis, then ESS exercise required or on-payroll.	
13.	Disability Tutors	Individual carries out a tutoring role with students.	On payroll	Hours of work may be unpredictable and timesheets are submitted for work done.	
14.	External training on a subject not provided in-house (e.g. specialist first aid training, manual handling skills, working at heights, etc.)	Ad hoc training sessions are provided on or off-site for a set-price per training session. Trainer provides own materials with sessions arranged at a mutually convenient time.	Supplier	There will be a need to review if the frequency of activity implies the possibility of part-time employment being the correct interpretation of the arrangements. ESS exercise should then be considered to mitigate tax risk to the university.	
15.	Translators	Translation of documents/interview transcripts from or to English/other UK native languages in circumstances where in-house expertise is not available.	Supplier	Engagement for ad hoc tasks as required from time-to time rather than on a full or part-time basis. Consultancy type contract.	
16.	Actors, dancers, role-players e.g. OSCE patient, writers, authors, Poets and other performance artists.	Individual is taking part in one-off or short engagements giving live performances, providing voice-over work etc.	Supplier	The main criterion is performance, so lecturing/teaching roles would instead be covered by categories 1, 2 or 3 above.  Invoice template payment vouchers to be completed by individual.	<a href="#">IR35 guidance for Individuals</a>  <a href="#">Payment voucher template</a>
17.	Maintenance (e.g. plumbers, carpenters, electricians, builders, painters, etc.)	University agrees a price for the job usually with a company, various individuals will carry out the work, company will provide own equipment and materials, work carried out at a mutually convenient time.	Supplier	The contractor may sub-contract work to others, if the contract with the university allows it. No payment should be made by the university except to the contractor engaged direct by the university.	

18.	Member of the Board of Governors or similar position	Remunerated for attending Board or Board sub-committee meetings, considering board papers and other Board preparation work. Such appointees are office-holders so that payments must be subject to PAYE.	Supplier:	Reimbursed expenses only through accounts payable (AP).  Additional work outside scope of office-holder duties would be subject to separate contractual terms. Tax treatment would need to be decided by applying the usual tests and ESS exercise.	<a href="#">Travel expenses for non-employees</a>
19.	Academic programme or course developers	These roles relate to the process of designing or updating a programme in terms of structure (e.g. how many modules, module credit ratings) and identification and description of module and programme learning outcomes.	On payroll	Consultancy with contractual deliverables. Typically, would require a formal programme approval or re-approval process to be enacted that implies a right of (or actual) control on the part of the university with regard to the work of those undertaking such roles.  These roles can be differentiated from course content development activities.	
20.	Academic programme or course <b>content</b> developers	Module authoring such as writing the content that sits within a module such as study guides written material PowerPoint presentations etc.	Supplier	Agreed work for agreed amount with contract. Detailed specification is provided to the content developer. How the task is undertaken to produce an output based on that specification is for the developer to decide.	<a href="#">IR35 guidance for Individuals</a>
21.	External & OSCE examiners for taught degrees, under graduate and post graduate	Includes associated roles such as markers, invigilators and question-setters.	On payroll	HMRC guidance on this issue can be found at ESM4150. Payments to external examiners (and associated roles) engaged in connection with Masters degrees and PhDs/DPhil may be made off payroll. Examination of taught post graduate degrees perform equivalent tasks to examiners of taught under graduate degrees.	

22.	External post-graduate level PHD supervisor		On payroll	Not employee or worker. For payment purposes treated as honorarium. Paid ad-hoc lump sum at beginning of the year. They can also claim travel expenses.	<a href="#">Travel expenses for employees</a>
23.	External examiners for research <i>Masters degrees and PhDs/DPhil</i> , and associated roles	Individual generally works off site assessing student's work although some on-site meetings may be necessary.	Supplier	If the "examiner's" role is wider than simply assessing and examining and, for example, involves attending university regularly (say more than three times per term) to mentor the student, it will be necessary to review the circumstances and use the ESS tool to consider if payments should be made via the payroll.	
24.	Research fellow/PhD students	Bursaries/Scholarships paid to students up to the value of £15,480 pa	Accounts Payable.  Supplier Type: Student	HMRC guidance is that these payments are not subject to tax (see EIM06237). It is possible to pay more than the limit, but clearance must be sought from HMRC before payment is made. If there is anything other than a minor element of teaching/demonstrating performed as part of the arrangements, it may be that all or part of the "bursary" and/or any extra sums additional to the bursary should be subject to payroll deductions.  There may be restrictions on a Visa which restricts work for example, if on research VISA cannot do marking. International students – cap on 20 hrs work only per week during term time Must check specifics of visa.	
25.	Retirees	Retiree returns for ad hoc projects or to carry out pre-retirement role (for same or less hours). Usually engaged because of specific expertise.	On payroll	Employed/treated as an AL or Atypical.  If the retiree undertakes work that is significantly different to the pre-retirement	<a href="#">Associate Lecturer guidance</a>  <a href="#">Atypical employee guidance</a>



				role the tax treatment would need to be decided by applying the usual tests and ESS exercise.	
26.	Service Users /Carers - also known as "experts by experience". Includes Health Service Users and Social Work Service Users.	Engaged by the University to provide ad hoc input to discussions with students, input to course material, etc.	Supplier  Supplier Type: Expenses	Individuals use payment voucher/invoice template or managed through supplier.  Not payment for work done but compensating time & expenses. £40 for half day, £80 for full day.	<a href="#">Payment voucher template</a>
27.	Students	Existing students of the university, engaged by the university on an ad hoc basis for a variety of tasks such as working on reception, graduate ambassadors or for teaching/research activities	On payroll	Treat as any other Atypical.	<a href="#">Atypical employee guidance</a>
28.	Volunteer workers, lay participants and participants in clinical trials.	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.	Supplier  Supplier Type: Expenses	Treated same as Service Users.  Paid a set amount of up to £80 per day or £40 for half a day as compensation for time, up to a maximum of £1000 in any tax year, plus any actual travelling expenses incurred. There is a specific agreement between BUFDG and HMRC regarding such payments - see EIM71105	<a href="#">Travel expenses for non-employees</a>
29.	Interview or "expert" panel members	Engaged by the University to sit on an interview panel or expert panel. May be paid an hourly rate or per session.	Will depend on frequency. If more than 5 times per term, or 14 per annum, on-payroll	Provided that the individual carries out no more than 5 visits per term or 14 per annum (with a visit being the maximum of 1 day) payments can be made off payroll.	

30.	Proof Readers and Editors	May be paid an hourly rate or on a task basis	Supplier	These payments are generally one-off and/or for relatively small amounts. Contract in place.	
31.	Media (film, radio, podcasts etc.) Directors, Producers and associated roles	Payment made upon delivery of specific work	Supplier	Use own equipment, university generally one of many clients, right of control limited other than initial specification etc.	