

## Guidance on engagement and payment of individuals (excluding main staff and contracted Hourly Paid Teachers)

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### Objective

This guidance is intended to give clarity over how to engage – and therefore how to pay – individuals for one-off or short term assignments. This excludes main staff and contracted Hourly Paid Teachers.

There are four main routes:

- I. Payroll, where individuals are paid net of tax and National Insurance, following satisfactory completion of Right to Works checks
- II. Self-employment, by invoice
- III. Supplier (company), by invoice
- IV. Payment Request Form, paid by Accounts Payable
  - a. Research Participants, Overseas Individuals (exempt).

This form is used to pay individuals for services undertaken overseas, or research participants where payment by vouchers is not suitable. However, this form cannot be used to pay overseas providers for goods and services delivered to or in the UK, for which a purchase order and invoice is required.
  - b. A maximum of 3 sessions per academic term or a maximum of 9 sessions per academic year (*de minimis*)

This form is used to pay individuals for the delivery of a no more than 3 sessions of academic support per term. This form can only be used when a Reference Number has been issued by the University Tax Team.

Where individuals work more than 3 sessions per academic term, the full TSS employee registration process is required including Right to Work checks completed and documented **prior to the individual starting work**. Individuals cannot start or deliver work until this has been completed. Retrospective claims will not be paid.

Payments to individuals on an off-payroll basis (self-employed or a maximum of 3 sessions) **can only be made** following an Reference Number being issued by the University Tax Team, **prior to the work being delivered**. If an individual is paid off-payroll, that individual is responsible for declaring their own income to HMRC and for making appropriate tax and National Insurance contributions.

Where it is proposed that an individual is engaged to provide services to the University via a Limited company or other intermediary, the same principles apply as noted in the guidance and payments can only be made following a reference being issued by the University Tax Team prior to the work being delivered. Where deductions of tax and national insurance are due the preferred treatment would normally be to engage the individual directly utilising payroll.

### **Immigration Control**

Under the Immigration, Asylum and Nationality Act 2006, all employers, irrespective of size or sector, are required to prevent the employment of illegal workers. They must fulfill this duty by carrying out a three step check to confirm that a potential employee or worker is entitled to work in the UK, irrespective of the length of the assignment.

The three steps are:

1. Obtaining original acceptable documents
2. Check the validity of the document in the presence of the holder
3. Copy the document and retain a clear copy

There are additional requirements in relation to international (non-EEA) students whose visa include strict limits on the hours that may be worked. Compliance with these requirements is mandatory and failure to demonstrate compliance could jeopardise the University's international licence.

It is illegal to employ someone aged 16 or over subject to immigration control and who is not allowed to undertake the work in question. Sanctions can include fines of up to £20,000 per offence and, for Universities, the removal of the licence to enrol overseas students.

Further guidance from the Home Office on pre-employment checks is available [here](#):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/638349/Employer\\_s\\_guide\\_to\\_right\\_to\\_work\\_checks\\_-August\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/638349/Employer_s_guide_to_right_to_work_checks_-August_2017.pdf)

The Payment Request Forms replace the historic 'Non-Staff Fee Claim' form, which will no longer be accepted.

## **Guidance**

Higher Education guidance has been developed under the initiative of the British Universities Finance Directors' Group (BUFDG), but it is important to recognise that this is not statutory guidance. This is specific guidance for the Higher Education sector, meaning that each university needs to make its own decisions whether and how far to adopt this guidance. The following guidance has been adopted by the University of Bristol, and reflects decisions made by the University, some of which may differ from restrictions in other institutions. Where further clarification is required in respect of employment status in respect of an individual case please refer to the University Tax Team

Please note that although more of the examples quoted refer to teaching rather than research, the tax treatment issues are similar for both.

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## **Version Control**

This document is Version 3.2, completed 26 June 2018

This document will be reviewed at least annually.

#	Role	Criteria/Circumstances	Usual tax treatment	Comments/Notes	University of Bristol process
1	Full time or part time lecturers	Includes remuneration for all work done that is teaching related.	On payroll	Also applies to distance learning tutors	<p>Normal HR processes for recruitment and payroll.</p> <p>Employess cannot start work until full employee registration including pre-employment checks have been completed.</p> <p>Right to Work documents for temporary staff are seen and documented by HR</p> <p>Employees with non-EEA citizenship can only work in accordance with visa restrictions, which may include a maximum number of hours/week. Failure to conform to these restrictions could put the University's international licence at risk and result in large fines being levied against the University.</p>
2	Occasional Lecturer	As above, but lecturer is engaged for limited and ad hoc work	<p>Will depend on frequency.</p> <p>Off payroll if no more than 3 sessions per academic term.</p> <p>If the individual engaged is working more</p>	<p>A session could be an hour or part-day or a whole day. One session cannot be longer than one day.</p> <p>If it is envisaged that the individual will deliver &gt;3 sessions per term, a Candidate Request Form should be submitted to TSS.</p>	<p>If more than 3 sessions per term or 9 sessions per year:</p> <ul style="list-style-type: none"> <li>- Candidate Request Form to TSS.</li> <li>- Full employee registration process required including pre-employment checks completed and documented prior to the individual starting work</li> <li>- The individual will be paid in the next payroll run and deuctions for tax and NI will be made.</li> </ul>

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			<p>than 3 sessions in a term or 9 in an academic year but is adamant that they should be treated as self employed please contact the University Tax Team for further advice.</p>	<p>If it is envisaged that the individual will deliver no more than 3 sessions, Payment Request Form should be submitted to the Tax Team.</p> <p>Once an individual has delivered 3 sessions in one academic term, a request must be made to TSS before any further engagement can take place.</p>	<p>Forms can be found at:  <a href="http://www.bristol.ac.uk/temporary-staffing/">www.bristol.ac.uk/temporary-staffing/</a></p> <p>If up to 3 sessions per term or 9 sessions per year:</p> <ul style="list-style-type: none"> <li>- Payment Request Form submitted to Tax Team and once confirmed sent on to Accounts Payable.</li> <li>- Payment will be gross.</li> </ul> <p>Forms can be found at:  <a href="http://www.bristol.ac.uk/directory/finance/receive-payments/">www.bristol.ac.uk/directory/finance/receive-payments/</a></p> <p>The Payment Request route should only be used for genuinely time-limited engagement (eg a 'guest lecturer'); this should not be seen as an alternative to a Hourly Paid Teacher contract.</p>
3	Visiting Lecturer (including international visiting lecturers/speakers)	The individual delivers non-core curriculum sessions eg talk or session conducted by a subject specialists, which adds value to the core curriculum but is not in itself part of the core curriculum, eg employability skills.	<p>Will depend on frequency.</p> <p>Off payroll if no more than 3 sessions per academic term</p> <p>If the individual engaged is working more</p>	<p>A session could be an hour or part-day or a whole day. One session cannot be longer than one day.</p> <p>Typically, the visiting lecturer would have no 1:1 interaction with students, would not set assignments and would not undertake any marking.</p>	<p>If more than 3 sessions per term or 9 sessions per year:</p> <ul style="list-style-type: none"> <li>- Candidate Request Form to TSS.</li> <li>- Full employee registration process required including pre-employment checks completed and documented prior to the individual starting work</li> <li>- The individual will be paid in the next payroll run and deductions for tax and NI will be made.</li> </ul>

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			<p>than 3 sessions in a term or 9 in an academic year but is adamant that they should be treated as self employed please contact the University Tax Team for further advice.</p>		<p>Forms can be found at:  <a href="http://www.bristol.ac.uk/temporary-staffing/">www.bristol.ac.uk/temporary-staffing/</a></p> <p>If up to 3 sessions per term or 9 sessions per year:</p> <ul style="list-style-type: none"> <li>- Payment Request Form submitted to Tax Team and once confirmed sent on to Accounts Payable.</li> <li>- Payment will be gross.</li> </ul> <p>Forms can be found at:  <a href="http://www.bristol.ac.uk/directory/finance/receive-payments/">www.bristol.ac.uk/directory/finance/receive-payments/</a></p>
4	Consultants	<p>Because this description covers a wide range of potential scenarios, treatment will vary.</p> <p>This will include IT and project management consultants and specialist locums, and well as those connected with academic projects.</p>	<p>Depends on role and nature of engagement.</p> <p>The University will determine the appropriate tax treatment for each engagement. The fact that an individual has been engaged on a self-employed basis elsewhere (e.g. by another University) does</p>	<p>Each case will need to be reviewed separate by reference to the follow key factors:</p> <ul style="list-style-type: none"> <li>- What right of control does the university have over the consultant's work?</li> <li>- How clear are the deliverables, and what about payment (or not) for rework?</li> <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> </ul>	<p>Requests for self-employed status are submitted to the Tax Team in Finance Services, and should use the below link:  <a href="https://finance.onlinesurveys.ac.uk/status-information-capture">https://finance.onlinesurveys.ac.uk/status-information-capture</a></p> <p>Self-employed individuals are paid gross, following issuance of a Purchase Order and receipt of an Invoice. (This replaces a legacy self-employed fee claim form)</p> <p>Individuals who are not self-employed should be paid through payroll following completion of standard employee registration (CAG) process including pre-employment checks.</p>

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			not necessarily mean that the individuals will always be recognised as self-employed for each engagement.	<ul style="list-style-type: none"> <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, eg business bank account, helpers/emoloyees, VAT registration, non-home based office address etc?</li> <li>- Does substitution happen in pratice?</li> </ul> <p>IR35 scope to be considered.</p>	
5	Agency Worker	Individual is engaged via an employment agency to cover a specific role, carry out a articular project etc.	Off payroll	<p>The worker should be on the payroll of the agency.</p> <p>As part of its general contractual arrangements with agencies, the University will need to inform the agency that the intermediaries legislation/PAYE</p>	TSS Admin and Clerical service will instruct agencies.

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				regulations apply to the engagement.	
6	Coaches/gym or fitness instructors	Run a class or coach an individual, sports team etc	On payroll	<p>There may be an exception where the individual hires university facilities and takes the financial risk. (Usually in such instances, there is no payment from the university to the individual).</p> <p>There may be an exception where substitution is in place.</p>	<p>Normal HR processes for recruitment and payroll, except where self-employed status has been determined by the Tax Team.</p> <p>This will require a managed transition from previous arrangements where sports coaches have often been paid as self-employed.</p>
7	Medical assessments	The university refers an individual for medical assessment to an independent third party.	Off payroll	Commercial terms	<p>3<sup>rd</sup> Party paid by Accounts Payable on submission of an invoice.</p> <p>This may require an assessment of self-employed status.</p>
8	Dyslexia Assessors	Individual carries out an assessment of students and paid a set-rate per assessment. Series of one-off or ad hoc engagements	Off payroll, following assessment by Tax Team	If the engagement is not ad hoc in nature (eg if individual regularly attend the university each week and/or is paid other than on a per assessment basis) the either a self-employment assessment is required (using HMRC tool), or the individual is paid via payroll.	<p>Self-employment assessment should be made by Tax Team, who will issue a reference number to individuals confirmed as self-employed.</p> <p>If dyslexia assessors are provided through a temporary staffing agency, please refer to Agency guidance above</p>
9	External training on a subject not	Ad hoc training sessions are provided	Off payroll, following	There will be a need to review if the frequency of activity implies	Self-employment assessment should be made by Tax Team, who will issue a

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	provided in-house (e.g. specialist training in first aid, manual handling, working at height etc)	on or off-site for a set price per session. Trainer provides own materials with sessions arranged at mutually convenient times.	assessment by Tax Team	the possibility of part-time employment being the correct interpretation.  Self-employment assessment should be considered to mitigate take risk to the university.	reference number to individuals confirmed as self-employed.
10	Industry expert	Delivery of one-off training programme	Off payroll, following assessment by Tax Team.  If the individual engaged is working more than 3 sessions in a term or 9 in an academic year but is adamant that they should be treated as self employed please contact the University Tax Team for further advice	Similar treatment to #3 Visiting Lecturer, unless Self-Employment status has been established and a reference number given by the Tax Team.	It is likely that individuals will be assessed for self-employed status.  If more than 3 sessions per term or 9 sessions per year: <ul style="list-style-type: none"> <li>- Candidate Request Form to TSS.</li> <li>- Full employee registration process required including Right to Work checks completed and documented prior to the individual starting work</li> <li>- Payment will be in next pay run and tax and NI will be deducted.</li> </ul> Forms can be found at: <a href="http://www.bristol.ac.uk/temporary-staffing/">www.bristol.ac.uk/temporary-staffing/</a>  If up to 3 sessions per term or 9 sessions per year: <ul style="list-style-type: none"> <li>- Payment Request Form submitted to Tax Team and once confirmed sent on to Accounts Payable.</li> <li>- Payment will be made gross without deductions for tax and NI.</li> </ul>

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					Forms can be found at: <a href="http://www.bristol.ac.uk/directory/finance/receive-payments/">www.bristol.ac.uk/directory/finance/receive-payments/</a>
11	Translators	Translation of documents/interview transcripts in circumstances where no in-house expertise is available.	Off payroll, following assessment by Tax Team	Engagement for ad hoc tasks as required from time-to-time rather than on a full or part-time basis.	Self-employment assessment should be made by Tax Team, who will issue a reference number to individuals confirmed as self-employed.  Individuals should be set up as suppliers.  Payment should be on receipt of an invoice.
12	Actors, dancers, role-players, writers, authors, poets and other performance artists.	Individual is taking part in one-off or short-term engagements giving live performances, providing voice-over work etc	Off payroll	The main criterion is <b>performance</b> so lecturing/teaching roles would instead be covered by categories 1,2 or 3 above.	Self-employment assessment should be made by Tax Team, who will issue a reference number to individuals confirmed as self-employed.  Individuals should be set up as suppliers.  Payment should be on receipt of an invoice.
13	Maintenance (eg plumbers, carpenters, electricians, builders, painters etc)	University agrees a price for a 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.	Off payroll	The contractor may sub-contract work to others, if the contract with the university allows it. No payment be made by the university except to the contractor engaged directly by the university.	Standard procurement. Payment to be made on receipt of an invoice.  Trades engagements are likely to be procured for a 'job' not a period of time.  Does not go via TSS and not paid via payroll.  If the contractor is supplying labour only at an hourly rate self employment assessment will be required via the University Tax Team.

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14	External Examiners for qualification at level of first degree and below.	Includes associated roles such as markers, inviligators and question-setters.	On payroll.  External Examiners for undergraduate study are paid through payroll in line with HMRC guidance, which requires deducation of income tax at the 'basic rate' and no deduction of NI.	HMRC guidance on this issue can be found at ESM4150.	External Examiners (undergraduate) claim form submitted to Payroll.  Forms can be found at: <a href="http://www.bristol.ac.uk/directory/finance/receive-payments/">www.bristol.ac.uk/directory/finance/receive-payments/</a>
15	External examiners (and associated roles) engaged with Masters' degrees and PhDs.	Individual generally works off site assessing students' work although some on-site supervision may be necessary.	Through a specific External Examiners' payroll process.  External Examiners for post-graduate programmes are paid through payroll in line with HMRC guidance, which is without deductions.	If the "examiner's" role is wider than simply assessing and supervising work and, for example, involves attending the university regularly (e.g. more than three times per term) to mentor the student, it will be necessary to review the circumstances and use the self-employment checker to consider if payments should be made via payroll.	External Examiners (postgraduate) claim form submitted to Payroll  Forms can be found at: <a href="http://www.bristol.ac.uk/directory/finance/receive-payments/">www.bristol.ac.uk/directory/finance/receive-payments/</a>  Deductions may be required if the individual performs a wider role than that of an external examiner.

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16	Research fellow/PhD student	Bursaries/Scholarships paid to students up to the value of £15,480 pa	Off payroll.	<p>HMRC guidance is that these payments are not to the subject to tax (see EIM06237).</p> <p>If it possible to pay more than the limited, but clearance must be sought from HMRC before payment is made.</p> <p>If there is anything other than a minor element of teaching/demonstrating performed as part of arrangements, it may be the all or part of the “bursary” and/or any extra sums additional to the bursary should be subject to payroll deductions.</p>	<p>There is a specific financial threshold for bursaries/scholarships (£15,480) per year.</p> <p>Payments of this type should not be linked to (significant) teaching responsibilities, which should be engaged as Hourly Paid Teachers, on a HPT contract, paid through Payroll with appropriate deductions, through HPT teacher process..</p>
17	Retirees	Retiree returns for ad hoc projects or to carry out pre-retirement role (for same or fewer hours). Usually engaged because of specific expertise.	On payroll	If the retiree undertakes work that is significantly different to the pre-retirement role the tax treatment would be need to be decided by applying the usual tests and self-employment checks.	Retirees to be engaged and contracted through normal HR processes for an open ended or fixed term contract. P checks must be completed prior to the individual starting work.
18	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,	On payroll	Treat as any other part-time/occasional employee	Engagements made through TSS. CRF to be submitted and full registration including Right to Work checks must be completed before the assignment starts

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		graduate ambassadors or for teaching/research activities.			<p>International Students on a Tier 4 visa are not allowed to work for more than 20 hours a week during term time. The 20 hours is the maximum for each week and cannot be averaged over a number of weeks. Compliance with visa restrictions is mandatory.</p> <p>The University voluntary guidelines for the employment of Home Students is that undergraduate students should not be employed for more than 15 hours/week, and that postgraduate students should not be employed for more than 20 hours/week.</p>
19	Research Participants	<p>Research Participants are volunteers who may be paid a small sum to cover expenses and as compensation for the time spent.</p> <p>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, they do it in their own time and are under no obligation to take part.</p>	Off payroll.	<p>Paid a set amount of up to £100 per day or £50 per half day as compensation for time, up to a maximum of £1000 in any tax year, plus an actual travelling expenses incurred.</p> <p>There is a specific agreement between BUFDG and HMRC regarding such payments – see EIM71105.</p>	<p>The off payroll treatment of research participants is unambiguous.</p> <p>Compensation should preferably be in the form of vouchers.</p> <p>Where vouchers are not preferred or agreed, a payment will be made by Accounts Payable following submission of a Payment Request Form.</p>

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20	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 3 times per term, on payroll.	Provided that the individual carries out no more than 3 visits per term (with a visit being a maximum of one day), payment can be made off payroll.	Payment can be made by Accounts Payable following submission of a Payment Request Form, provided the instances if no more than 3 sessions per term or 9 sessions per year.  If the individual attends for more than 3 instances per term: <ul style="list-style-type: none"> <li>- Candidate Request Form to TSS prior to the engagement starting.</li> <li>- Employee registration including pre-employment checks must be completed and documented prior to the individual starts works.</li> <li>- Tax and NI will be deducted.</li> </ul>
21	Proof Readers and Editors	May be paid an hourly rate or on a task basis.	Off payroll	These payments are generally one-off and/or for relatively small amounts.	Self-employment assessment should be made by Tax Team, who will issue a reference number to individuals confirmed as self-employed.
22	Overseas	Where the individual will be resident and domiciled abroad during completion of this work, and in these cases gross payment will AP will usually be appropriate.	Off payroll	The University is usually not in a position to judge whether or not an individual fulfills a definition of self-employment in a foreign jurisdiction, unless the University has established a permanent underaking in that country.	A Payment Request Form will normally be appropriate., and should be submitted to Accounts Payable.  Forms can be found at: <a href="http://www.bristol.ac.uk/directory/finance/receive-payments/">www.bristol.ac.uk/directory/finance/receive-payments/</a>