

---

## Honoraria/Payments to Volunteers Policy

---

### Policy Aims:

- The Methodist Conference 2010 confirmed its decision of 2007 that the Living Wage (foundation) rates will form the minimum basic salary for all people employed by a district, circuit or local church.
- This policy also includes young people below the age of 18.
- To comply with HMRC requirements. (NIC, tax)
- The practice of paying honoraria should be implemented with care.
- To clarify the difference between reimbursing legitimate expenses for travel and other expenses, and a gift for carrying out a voluntary duty.

### Scope:

The Methodist Church has a substantial number of members and others who give service voluntarily in its ministry and mission. Such volunteers are not affected by the National Minimum Wage Act, provided they are genuine volunteers working without pay.

Honorariums are often given to church organists, auditors and to guest speakers, local churches must ensure that any payments made are “gifts” and not payment for service provided.

### Definition:

An honorarium is intended to be no more than a gift for carrying out a voluntary duty. An honorarium is a one-off ex-gratia payment, that is, there is no obligation to pay it, regardless of work being completed.

### Principles

Honoraria should not be regarded as remuneration for any work done, and should not be offered before the duty is undertaken, an honorarium should not become a regular payment.

In some situations, the Methodist Church has entered into agreements with other voluntary service agencies who provide volunteers to perform a task but who receive no ‘wage’ or ‘salary’ for performing the task. Instead they are usually provided with basic accommodation, have any expenses necessarily incurred in the course of their duties reimbursed, and are usually offered some ‘pocket money’ or minimal allowance by way of subsistence. Such workers are not subject to the provisions of the Act.

In strict terms any churches that are found to be paying honoraria inappropriately may have to pay backdated tax and National Insurance contributions.

Circuit and local church volunteers/officers may claim legitimate expenses in carrying out their duties. (eg. stationary, travel, etc). Travel mileage should be reimbursed in line with HMRC guidelines and where possible receipts should be provided.

### **Remunerating church organists & Caretakers**

Payment is normally irregular depending on the number and frequency of services taken. (ie weddings & Funerals).

Whether or not NIC and/or income tax is payable will depend on the age of the organist/caretaker, the period covered by each payment and their earnings from other sources.

First establish the full facts of each case and consult your local tax office, for advice, if required.

**Signed:** ..... *(Superintendent Minister)*

**Dated:** .....

**Date for review:** February Circuit Meeting