

UNISON



BRANCH MEMBERS
EXPENSES (Including honoraria)

This scheme sets out the expenses payments that a branch can make to its members. Information on other branch expenditure can be found in the Branch Finances Handbook (chapter 2 on budgeting and chapter 4 on payments).

All expenses payments to members must be authorised by the branch committee. Expenses must not be incurred or payments made without this prior authorisation. All member expenses must be made in conformity with this scheme.

Expenses payments to members fall into two distinct groups:

1. Member expenses, including conferences (reimbursement while involved in union work)
2. Other member expenses (discretionary as agreed by the branch committee and/or branch membership).

No other expense payments to members are permitted

MEMBER EXPENSES

It would be extremely cumbersome and very time consuming if branch committee approval was sought on a case-by-case basis. In practice the simplest way to meet this authorisation requirement is for the branch committee to prepare and approve a budget each year. The setting and regular review of budgets must be an integral part of the day-to-day function of the branch committee. As part of its annual review, a branch must review its approved scheme for member expenses which, together with the budget and branch assessment, it must submit for approval to a general meeting of the branch prior to forwarding it to its region.

To assist branches the current rates paid to national representatives for attending meetings and/or attending conferences are given at the end of this section. These rates can be used as a maximum level of payment by branches as they have been agreed with HM Revenue & Customs (HMRC). **Exceeding these rates will result in the member being liable to pay tax. Therefore branches must not exceed these rates**

Tax implications

UNISON has agreed a dispensation with HMRC to make expenses payments nationally, regionally and locally to its activists and members. For branches HMRC will expect at the very least that an independent system is in place for checking and authorising payments so as to ensure that claims are not excessive and claims do not include disallowable items.

Furthermore, HMRC will expect all claims to be supported by receipts (wherever possible). In this way reimbursement of expenses will not be taxable but dispensation can be withdrawn if the union falls short of HMRC requirements.

Why reimburse expenses?

Active members, particularly officers and stewards, are first and foremost volunteers who give freely of their own time and should not be expected to spend their own money as well. Branches should reimburse expenses to ensure that no member is debarred or deterred from trade union activity because of financial considerations and that no member is out of pocket.

What amount should be reimbursed?

Ordinarily, any reasonable expense incurred as part of day-to-day trade union activities should be reimbursed. This usually means reimbursing against receipts provided. More often than not members will adopt a common-sense approach to expenses and operate within the boundaries set by the branch. However, while the amounts paid as expenses are at the discretion of the branch, they must not exceed the rates set out at the end of this scheme.

In deciding what expenses to pay, each branch should agree their own scheme and ensure :

1. It is in line with union rules and policies.

2. There is a linkage between expenses and the achievement of UNISON's aims, values and objectives.
3. Expenses payments integrate with the wider financial strategy of UNISON.
4. The scheme is simple and easy to understand.
5. There is a transparent claims and approval process for fairness and consistency.
6. The scheme contains the appropriate checks and balances to avoid inequitable and/or discriminatory payments.
7. The scheme does not compromise the branch's financial stability.
8. The branch scheme does not expose the member, branch or the union to challenges by HMRC.

Which expenses should be reimbursed?

The scheme for expenses must set out which expenses can be reclaimed but each scheme ought to include:

- travel while involved in union work
- meals taken while involved in union work
- overnight allowances, including hotels (see also notes on page 7).
- care of dependants, including children, during union work
- postage, phone calls, stationery etc
- national, service and self-organised group conferences.

How to reimburse expenses

Branches will have considered most, if not all, core principles under which expenses will be paid within their budgetary process and their agreed expenses scheme. However, the most transparent schemes are those that use official branch claim forms to reimburse out-of-pocket expenses where receipts can be justifiably required and payments are made by cheque. Providing receipts enables claims to be validated by providing independent evidence that an expense was incurred.

Before they are paid, all claims must be authorised, preferably by the budget holder (and, if not, by the branch chair or secretary). Officers and budget holders must not authorise their own claims.

It is recommended that there should always be two signatures on every cheque, one of which should be the treasurer's. Cheques must never be pre-signed. The claimant should sign all claim forms to acknowledge receipt of payment. The treasurer should retain claims as an integral part of the accounting records to be made available for inspection, especially during the year-end audit. The branch committee should also receive regular updates on expenses paid as part of the treasurer's report to such meetings.

If the branch makes an advance or imprest (float) payments to officers these cannot be in lieu of expenses. Officers must always provide receipts and return any unspent balance to the branch, normally at the year-end but especially at the end of tenure.

Working within these guidelines will ensure the branch has an independent system in place for checking and authorising payments which meets the requirements of your branch auditors as well as complying with Sections 28 to 30 of the Trade Union and Labour Relations (Consolidation) Act 1992.

Details about expenditure from other dedicated funds are covered within those schemes.

National service group and self-organised group conferences

Branches are responsible for appointing and sending delegates to UNISON's national conferences – the annual national delegate conference, service group conferences and self-organised group conferences. Within the branch funding formula, provision is made to ensure that branches can participate in these conferences. Some of these conferences can involve overnight stays and normal living expenses for which delegates should be reimbursed on an equitable basis.

The responsibility for meeting the reasonable cost of delegations is met by the branch. These costs can be substantial and branches should:

- plan and budget for delegations as a part of annual processes
- ensure a consistent approach to meeting the cost of delegates. Branches that are not consistent (eg in the level of expenses paid, or when they are paid, in hotel or travel arrangements) risk exposing the branch to claims of discriminatory treatment
- take into account the cost when determining the number of delegates to send to conferences.

Cost should not prevent a branch from being represented at the key UNISON conferences. Where financial difficulties might deter a branch from sending a delegation, application for assistance can be made to the union's Director of Finance at head office.

These notes under this section are designed to assist branches to make the proper decisions about the payment of expenses to members attending conferences and other events on behalf of the branch. They should be reviewed in conjunction with the conference bulletins that outline any central arrangements for each conference.

Expenses and allowances – advance payment

Whilst the overall cost of delegations can be high for a branch, the burden for individuals meeting those costs can be even higher. Agreeing standard allowances (for example to meet the cost of meals taken away from home) and paying them in advance, instead of asking the delegate to claim back the actual cost later, can be helpful to the delegate and should be considered. Branches should also consider what expenses it can pay directly – for example, rail costs where these are not met centrally and hotel accommodation.

If not branches should only reimburse expenses on the basis of receipts that confirm the legitimate purpose for which the expense was incurred.

Daily living expenses (meals and snacks etc)

If the branch chooses to reimburse delegates for meals on the basis of receipts provided, some reasonable limit should be set and made known to the delegate not exceeding the rates set out at the end of this scheme. Branches are, however, encouraged to agree a standard subsistence allowance. It is for the branch to determine the level of such allowances, and they should be applied consistently for all conferences and events. Subsistence allowances should reflect that a conference or event may be for a part day or a full day, or may involve overnight stays. They should also reflect that some or all meals may be provided. They should not normally be varied based on an assumption that eating costs may be higher in one place compared with another.

Travel costs

For delegates, their children registered in the crèche, and any delegate's personal assistant, travel to and from national delegate conference and national service group and self-organised group conferences is met centrally on the basis of standard class rail fare to the nearest station, or air travel where appropriate. This is to avoid any branch being financially disadvantaged by the conference location. The cost of taxis, car parking or other incidental travel, if needed, falls on the branch.

The cost of travel for visitors is met by the branch, although provision can be made for central booking to enable visitors and delegates to travel together, and the branch invoiced accordingly.

Information about booking and the reimbursement of costs for these conferences is provided in the relevant conference bulletin. For other conferences, branches can assist delegates by arranging and paying for travel in advance using UNISON's travel provider Stewart Travel – unison@stewarttravel.co.uk

Accommodation

For key UNISON conferences, guidance about booking accommodation is contained in the relevant conference bulletin. Where accommodation is not provided centrally, branches should plan well in advance as suitable accommodation can quickly be booked up, especially where branches need accessible accommodation for disabled delegates and visitors.

Wherever possible, accommodation should be chosen in consultation with the delegate. The standard of accommodation will in part be determined by what the branch can afford, although a similar standard of accommodation should be chosen for all delegates attending all conferences. Branches should liaise with the delegate to ensure that accommodation meets the delegate's needs in respect of safety and security, accessibility and distance from the conference venue, en suite facilities and family rooms where appropriate.

The branch can take some simple steps to avoid common difficulties and inconvenience over pre-booked accommodation. Paying for accommodation in advance or providing the delegate with a cheque payable to the accommodation avoids the delegate having to first meet the cost of accommodation. Providing the delegate with a copy of the booking confirmation can avoid any dispute over reservations. Branches may decide to use UNISON's accommodation provider Trust Reservations - sales@trustreservations.com

Dependant care costs

As a place in the crèche is provided free for children (up to the age of 16) of delegates and sharers there is no need for alternative arrangements to be made or costs to be incurred. All other costs, excluding travel, fall on the individual member or the branch. These may include the costs of accommodation or evening baby-sitting so that a delegate can attend delegation or fringe meetings.

In addition, members who are normally carers for dependent relatives etc may be prevented from attending as branch delegates unless some alternative caring provision can be made for their dependant. It is for branches to determine to what extent they can and should assist with any of these costs, but whatever measures are taken should be applied consistently and with the aim of removing barriers from those members whose caring responsibilities may otherwise bar them from acting as a branch delegate.

Shared delegates

The principal purpose of branches sending shared delegates to conferences is to encourage and provide support to new delegates. Whilst shared delegates may only have one vote, for the purpose of the payment of expenses, shared delegates should be treated as individuals and each provided with expenses on the same basis as a sole delegate.

Disabled members

UNISON at all levels has a duty under the Disability Discrimination Act not to discriminate against disabled members. It is also required to make reasonable adjustments and this includes arrangements and facilities to attend the union's events. UNISON builds access into the infrastructure of its events, for example by contracting a venue that offers the best standard of access, providing accessible documentation, and by contracting sign language interpreting services (where need has been identified). The union also provides aids for mobility support such as scooters and wheelchairs. Some disabled members may need

to be provided with access through support from a personal assistant and the cost of this provision will need to be taken into account through branch funding for fees and subsistence. Subsistence rates should be on the same basis as the disabled delegate or visitor. For further information please refer to the NEC guidance on the use of personal assistance.

For more information:

Code of Good Branch Practice

Organising For Equality

Conference Bulletins

Disability Discrimination Act Code of Practice on Trade Organisations and Qualifications Bodies – ISBN 0117034185

Bus and rail travel

The branch should reimburse members for actual cost of travel on production of receipts. However, planning in advance is essential as significant savings can be made for journeys booked in advance or on designated trains, eg for national and service group conferences.

Private car

Members must seek the permission of the branch if they want to use their own vehicle. The branch should only agree if it is the most suitable form of transport available for the journey, taking into account

- Cost implications
- UNISON's green policy
- Availability of public transport
- Personal circumstances

Members who use their own car when travelling to and from meetings are entitled to reimbursement based on the miles driven multiplied by the branch scheme mileage rate, which must not exceed the rate set by HMRC.

At the discretion of the branch, members giving lifts to other members in their own car may claim up to 5p per member per mile carried. Any such claims must state the name of the member receiving the lift. This supplement relates only to fellow members and is not available for dependants who would normally be expected to travel together.

HMRC sets rates for the reimbursement of driving expenses to take into account depreciation and other running costs as well as fuel.

The approved mileage rates for 2011-12 are:

- cars and vans – 45p per mile for the first 10,000 miles, 25p per mile over 10,000. The rates are payable regardless of engine size
- motorcycles – 24p per mile
- bicycles – 20p per mile.

Members must provide receipts for any parking expenses incurred when they use a private car. Parking expenses should only be payable for the period whilst on union activities. Parking should not be paid if a member usually uses their car for work and incurs daily parking costs.

Members must note it is their responsibility to notify their insurers they are using their vehicle for trade union activities. UNISON's nationally operated insurance scheme (which all branches can apply to join¹) does not provide cover for members using their own cars.

The branch should also instruct members to park in designated areas so as not to incur parking fines. As parking fines can be avoided the branch must not reimburse them. This rule should also apply to speeding fines.

¹ Details can be found at: http://www.willis.com/Client_and_Carrier_Tools/

Select Log in; Username: UNIS.BRANCH; Password: mabledon

Taxis

Members should only use taxis when at least one of the following applies:

- where public transport is not available
- when heavy luggage is carried
- when disability renders using a taxi necessary.

Taxi travel is also available if there is a real threat to personal safety. Members must provide receipts for all taxi journeys, otherwise the claim may not be reimbursed.

Subsistence guidelines

There are two categories of expense allowances:

1. a daily subsistence allowance covering all meal costs;
2. overnight accommodation allowance covering hotel bills.

These can be paid up to the amounts quoted but must not be exceeded. They are discretionary for each branch and a branch may want to set its own limits within each category.

Wherever possible a branch should only reimburse what is actually spent (within the limits set) and on the production of receipts.

Daily subsistence allowance

The daily rate for subsistence is as follows:

- up to eight hours £20
- over eight hours £40

Some branches may prefer to pay meal allowances instead of the daily rate:

- lunch £13.50
- tea £6.50
- dinner £20.

Tea and dinner should not be paid together.

The individual meal allowance rates are also used for deduction purposes when a daily rate is paid and when a meal has been provided by UNISON or an outside body. Please remember any meals provided should be clearly marked on the expenses claim form.

Overnight accommodation allowance

Currently UNISON advises branches to reimburse members for accommodation costs at two different rates to recognise the additional cost of staying in hotels in the London region.

In approving an overnight stay, a branch should consider the time a meeting or course ends and an acceptable time to arrive home. If a member wants to extend the stay it should be at the member's own expense.

Branches should book and pay for accommodation in advance (see notes on page 9). Branches may decide to use UNISON's accommodation provider Trust Reservations – sales@trustreservations.com.

Where breakfast is not provided the cost may be reimbursed on the production of a receipt. If this cost is known please agree an allowance beforehand.

The rates for members who book their own accommodation are as follows:

- London (within the M25) £90
- Rest of the country £75.

The branch should not reimburse above these rates and a receipt must be provided.

All-inclusive allowances

A meeting or event is deemed all-inclusive when all accommodation and meals are provided for the duration of that meeting, course or seminar. This does not, however, cover the periods of travelling to and from the meeting or event.

In such instances a supplementary allowance is payable at a rate of up to £10 per day. This replaces the usual £40 daily allowance. The all-inclusive rate for children is £5.

Dependant care allowances

Dependant care is split into three categories. The first is where a dependant accompanies the member to a meeting, the second is for a child dependant's home care, and the third for an adult dependant's home care. In all cases the member needs to obtain prior approval from the branch to claim these allowances.

(i) Accompanying a member

Where an adult or child dependant aged 13-17 accompanies a member to a meeting they are entitled to the full daily allowance of £40.

Where the dependant is a child under the age of 13 they would be entitled to 75% of the daily allowance, £30. If the child was placed in a crèche then a rate of £15 per day would apply.

As far as overnight accommodation for dependants is concerned, all rules and rates as explained in the previous section apply.

(ii) Child dependant home care

Where the child dependant stays at home then the member can only reclaim from the branch expenditure over and above what would normally be incurred. The branch should ensure its claim form provides for child dependant home care expenses.

The rates for home care comprise a day rate of up to £32 and a night rate with a maximum of £16. The night rate is payable from 6pm and an overnight stay need not be incurred for this allowance to be claimed. If the member has more than one dependant then an additional rate of 20% of the above rates is payable per dependant.

Dependant childcare is payable on behalf of children up to the age of 17. A receipt that states both the name and address of the carer must accompany all claims.

(iii) Adult dependant home care

UNISON policy makes financial provision for home care to members who have adult dependants who are disabled in order that such members can be involved and participate in national union activities. This provision is not intended to undermine public service provision. The financial support is intended to reimburse the additional cost of providing practical care solutions when members are away from their caring responsibilities to attend union business. Where the dependant stays at home and does not accompany the member to the meeting, the member can reclaim from the branch only that expenditure over and above what they would normally incur. There is a separate claim form for dependant home care expenses.

The rates for home care comprise a day rate of up to £32 and a night rate with a maximum of £16. The night rate is payable from 6pm and an overnight stay need not be incurred for this allowance to be claimed. If the member has more than one dependant then an additional rate of 20% of the above rates is payable per dependant.

Members making claims should provide evidence that their adult dependant has one of the following:

- Attendance Allowance payment
- Disability Living Allowance payment
- Blue Badge parking permit
- Disabled Persons Railcard
- disabled person's concessionary fare pass
- tribunal decision
- registration as blind or partially sighted
- Incapacity Benefit payment
- industrial injuries payment
- medical certificate or
- other similar evidence.

Note

If the member submits a doctor's letter as evidence and a fee is payable, the branch should reimburse this cost.

Members are invited to make a single application to the branch treasurer or secretary to authorise entitlement to the allowance. Once it is authorised, the member should seek the approval of the branch committee prior to incurring any costs. The branch should treat members' applications for home care allowance in strictest confidence.

Members are encouraged to get advice from UNISON Welfare Services if they need assistance with claiming state benefits.

2. OTHER MEMBER EXPENSES

Unlike member expenses, other expenses will mostly be agreed on a case-by-case basis. Usually such expenses will be a monetary payment to recognise service to the branch by an elected officer either as

- (a) a long-service award
- (b) honoraria

or as non-cash gifts to a member such as flowers, chocolates etc (non-cash gifts can also be made to recognise long service but not honoraria).

Tax implications

Unlike member expenses, other expenses do not require the reimbursement of expenditure for day-to-day trade union activity. HMRC are very clear about such payments and their rules about disclosure and tax and National Insurance contributions. UNISON has to ensure that its current practices are uniform across all branches and that it complies with the relevant authorities. In this regard the union has agreed processes and procedures with HMRC to ensure that all expenses under this category comply with their requirements and that the union will have no exposure to tax and/or NI contributions through incorrect treatment or disclosure..

All branch expenses that are to be made as a cash payment to a member are subject to tax and NI contributions. Cash in this context includes all vouchers. **All cash payments must pass through head office and cannot be made by the branch.** Full details are set out in following sections.

Non-cash gifts to a member commonly involve a payment by the branch to a third party in

exchange for a tangible asset that is then given to a member. Many branches will make non-cash gifts to members who are off work ill, for family bereavement, or special occasions such as the birth of a child or marriage. These are commonly cards, flowers, chocolates etc.

HMRC will apply a reasonableness test on such gifts in determining whether they ought to be taxed. Branches should always retain receipts in support of such payments. Branches are strongly advised to seek clarification from their full-time officer if they are in any doubt whatsoever about the taxable position of a non-cash gift.

Where a non-cash gift is made to recognise long service:

- (a) the length of service must be 10 years or more
- (b) the non-cash gift must not exceed £20 for each year of service (ie 20 years' service – up to £400 allowable)
- (c) the gift must be a tangible asset (such as a watch or clock) and not vouchers
- (d) the gift must be approved by the branch committee and reported to a general meeting of the branch.

A member seeking financial help due to unforeseen hardship must always be referred to UNISON's own charity UNISON Welfare where a range of services including financial assistance is available. The charity can also provide immediate financial help to deal with emergency situations for example the member has no money at all and a small amount will provide for food, travel or other necessities. In such circumstances, the branch welfare officer or branch secretary should contact UNISON Welfare on 020 7121 5620.

By following these instructions there will no tax liability on the recipient, the branch or the union.

Other member expenses – honoraria (including long-service awards)

New rules now apply to all honoraria and long-service award payments (hereinafter referred to as honoraria) to branch officers for periods of office which began on or after 1 January 2009.

Honoraria are discretionary one-off payments made to elected members of branch committees (including branch auditors) to recognise their voluntary work for the branch.

The payment of honoraria follows the same principles as the scheme for member expenses: branch committees consider it as part of their overall financial planning. A branch committee must ensure that any proposals it makes to the branch general meeting do not interfere with the ability of the branch to carry out its day-to-day functions from within the funding they receive under national rule H4.1.

Under rule G4.1.2 officers (including branch auditors) are elected annually. Any discretionary honoraria payments will follow their period of office and cannot be paid in advance (whether monthly, quarterly or half-yearly). Nor can honoraria be paid in lieu of expenses.

This is not a UNISON decision but a legal one with which we are required to comply. Failure to do so will expose the union to costs and penalties.

Branch chairs, secretaries, auditors, treasurers and other similar elected officers do not have contracts of employment and are not employees of the branch or UNISON. Nevertheless, they are elected or appointed to positions within each branch and are therefore, de facto, holders of an office. Honoraria payments to UNISON branch officers are not remuneration for services, but are liable to income tax and Class 1 National Insurance contributions. HM Revenue & Customs (HMRC) requires the union to declare all payments.

If a branch were to make a payment outside this scheme, HMRC might regard it as being derived from employment with UNISON. This could have significant consequences for the branch regarding not only tax and national insurance implications, potential penalties and regulatory reporting requirements but also employment law issues, including the European Union Working Time Directive and the National Minimum Wage legislation.

Any branch making payments for a period of office beginning on or after 1 January 2009 outwith the following rules and procedures will be deemed to be acting outside the rules of the union and therefore subject to the relevant investigatory procedures of the union.

RULES AND PROCEDURES

Branches and honoraria

There is no obligation on a branch to pay honoraria as they are entirely discretionary and there is no contract of employment – written, oral or implied.

To pay honoraria a branch must make a general provision to do so in its model rules.

The amendment to branch rules must be agreed by a quorate general meeting of the branch.

The branch must register its amended rules, as approved by a quorate general meeting, with the region.

Each year the branch committee must submit its honoraria proposals to the annual meeting of the branch. The timing of annual meetings is set out in rule G3.2.

The branch proposals can only be approved if the annual meeting is quorate.

If the proposals are approved by the annual meeting, the branch will submit details to head office as advised by head office.

If the annual meeting rejects the branch committee proposals this decision binds the branch and no honoraria payments can be made.

Payment of tax and National Insurance

All approved honoraria will be paid by head office.

The data contained within the branch's approved submission will be used to calculate any tax and National Insurance contributions (NIC) due to HMRC.

Under our current agreement with HMRC only tax will be deducted and there is no NIC due.

Head office will pay all tax to HMRC and so discharge UNISON's liability on approved honoraria.

Where a payment is made on or before 5 April, a branch officer will receive a P60 from head office by the end of May of that tax year showing the amount agreed by the branch, the net amount paid, and tax deducted.

If HMRC contacts your branch about honoraria, please reply: 'All matters concerning honoraria are to be dealt with by UNISON head office in conjunction with HMRC Local Compliance, Individuals & Public Bodies, Weardale House, Washington NE37 1LW – reference PBG/EC/905/U387/MWB.'

All payments will be recovered by deduction from the branch's funding entitlement.

The branch's annual return (G9.1) will be updated by head office to reflect the recovery made against funding and the payments made to officers and HMRC.

Therefore, those branches that have previously made a provision in their accounts for honoraria should no longer do so, as all accounting matters will be dealt with at head office as part of the branch/national consolidation of accounts.

The regional committee

If the general meeting is inquorate or if, with regional approval, a branch does not hold a general meeting, the branch may refer its proposals to its regional committee whose decision will be binding.

If appropriate, the branch can be represented when its proposals are being considered under arrangements issued by the regional committee.

The regional committee will be responsible for forwarding such approved branch proposals to head office, which will process payment.

Note

UNISON is obliged to make a return of honoraria and expenses payments to HMRC who will monitor the situation very closely. Therefore you should not make any other payments to members of your branch which are outside this scheme.

HMRC will almost certainly regard the payment of any expenses above the HMRC dispensation or outside this scheme as establishing an employment relationship between the branch and the member with consequential tax and national insurance implications.

It is vital that the union complies with HMRC rules to ensure there is no further exposure to tax and national insurance costs. Therefore if you are at all unsure about any of the payments your branch makes please contact your regional office immediately for advice.







