# Polasaí agus Nósanna Imeachta/Policies and Procedures

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| **Code** | QA326 |
| **Title** | Payment of professional membership fee/subscription for staff |
| **Policy Owner** | Bursar |
| **Date** | 25 October 2023 |
| **Approved By** | Údarás na hOllscoile |

**1.0 Purpose**

To ensure adherence to relevant regulations and legislation in the payment of membership fees and subscriptions for university staff from university-controlled funds.

# Description

* 1. As per Revenue’s guidance, they state that employers may pay (or reimburse to a member of staff) without the deduction of tax/other statutory deductions, professional membership fees where those fees are incurred wholly, exclusively, and necessarily by an individual in the performance of the duties or his or her employment.
	2. Revenue also clarify that professional membership fees/subscriptions paid by employers (or reimbursed to employees) are not liable to a PAYE, PRSI, USC & PRD deduction where one or more of the following conditions are met:
		+ The circumstances in which professional membership fees are incurred wholly, exclusively, and necessarily in the carrying on of an office or employment.
		+ There is a statutory requirement for membership or a professional body or to hold a practising certificate or there is no statutory requirement, but certain statutory provisions may restrict the ability of an individual to fulfil the full duties of an office or employment unless he or she is a member of a relevant professional body
		+ Where annual professional membership fees are commercially necessary
		+ Indispensable condition of the tenure of employment
	3. Revenue have confirmed that the following are indicators that a membership or certificate is required to be held as part of the tenure of an individuals’s employment:
		+ If a requirement is included in his or her employment contract to hold such membership
		+ If all staff in the same role are required to hold the particular membership or certificate
		+ If the staff member would be dismissed or transferred if he or she:
			- Did not acquire such membership or certificate
			- Did not hold such membership or certificate or
			- Failed to maintain his or her membership or certificate
		+ If job advertisements for the same role require the membership or certificate to be held
	4. Where the University pays professional membership fees/subscriptions on behalf of employees without the deduction of tax, the employee cannot subsequently claim an expense deduction for the cost of the membership using myAccount or by completing a Form 12 as they have not suffered tax on this amount.
	5. Revenue guidance states that generally only one membership per employee may be provided tax- free where multiple memberships allow the employee to carry out the same or similar duties (such as in the case of an accountant acting as a tax advisor).

Revenue’s examples [Part 05-02-18 - Deduction for expenses in respect of annual membership fees](https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-05/05-02-18.pdf) [paid to a professional body (revenue.ie)](https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-05/05-02-18.pdf)

The Revenue position is that one of the membership fees should not be treated as allowable. Where both fees are paid by the employer, statutory deductions (PAYE/PRSI etc.) should be applied to one of them.

# 3.0 Completion of forms

In all cases, the form at Appendix 1 herewith must be completed, authorised, and submitted/attached to relevant source documents submitted for payment processing (invoice or expense claim).

# 4.0 Approvals

The following table outlines approvals required in authorising payment of subscription or membership fees in accordance with this policy.

|  |  |
| --- | --- |
| Expense Claimant | Approver |
| President | Chair of Governing Authority |
| Deputy President and Registrar | President\* |
| Other UMT members:BursarChief Operating OfficerSecretary for Governance and Academic Affairs Director of HR | President\* |
| Vice-Presidents:Vice-President: Research and Innovation Vice-President: Equality and Diversity Vice-President: InternationalVice-President: Engagement | President\* |
| President’s Direct Reports:Director of Risk and Internal AuditDirector of Marketing and Communications Director of Planning and Administration Director of Public Affairs | President\* |
| All Deans | Registrar and Deputy-President\* |
| Academic Secretary | Registrar and Deputy-President\* |
| Head of School | Head of affiliated College\* |
| Head of Discipline | Head of affiliated School\* |

|  |  |
| --- | --- |
| Head of Administrative Unit | Relevant UMT member\* |
| Research Institute Director | Head of affiliated College\* |
| Research Centre Director | Head of affiliated School\* |
| Research Budget Holder | Head of affiliated School\* |
| Researcher | Research Budget Holder\* |
| All Other Staff | Head of Academic / Administrative Unit\* |
|  |  |

\* Or authorised nominee. While authorised nominee(s) may approve/process payment of subscription(s)/membership fee(s) via expense claims ‘on-line’ on behalf of budget holders, the onus is ‘Approvers’ to ensure compliance with policy.

# 5.0 Responsibilities

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| --- | --- |
| Name | Responsibility |
| Bursar | Policy Owner |
| Claimant/beneficiary | * Ensure adherence to this policy .
* Complete Appendix 1 and submit with supporting documentation required to process payment of professional membership fee/subscription.
* Inform Payroll and Expenses Office if subscription is liable to BIK in order to process it for appropriate tax deductions.
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| Authoriser/Approver | * Ensure adherence to this policy.
* Approve payment as outlined in the approval matrix above.
* Sign declaration completed by claimant in Appendix 1
* Advise claimant to inform Payroll and Expenses Office if an approved subscription is liable to BIK in order to process it for appropriate tax deductions.
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| Director FinancialAccounts | * Ensure policy adheres to Revenue guidance.
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**6.0 Related Documentation**

[https://www.revenue.ie/en/employing-people/benefit-in-kind-for-employers/other-](https://www.revenue.ie/en/employing-people/benefit-in-kind-for-employers/other-benefits/examinations-courses-professional-subscriptions.aspx) [benefits/examinations-courses-professional-subscriptions.aspx](https://www.revenue.ie/en/employing-people/benefit-in-kind-for-employers/other-benefits/examinations-courses-professional-subscriptions.aspx)

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*for other policies, procedures, regulations and guidelines*



**Appendix 1: Declaration that payment of professional membership subscription/fee is wholly, exclusively, and necessary for the employee in question to fulfil their duties in the University.**

**Staff Number** **Name Membership Amount € Other subs paid this year (Yes/No)**

**This professional membership fee is incurred wholly, exclusively, and necessarily\* in the performance of my duties of employment.** **(YES/NO)**

**\***The wholly, exclusively and necessarily test is based on the following qualifying situations – *at least one condition should be met*: (a) Where there is a statutory requirement for membership of a professional body or to hold a practicing certificate YES [ ]  NO [ ]
(b) Where statutory provisions restrict the ability of an individual to fulfil the duties of an employment YES [ ]  NO [ ]
(c) Where annual professional memberships are commercially necessary YES [ ]  NO [ ]
(d) Where membership of the professional body is an indispensable condition of the tenure of the employment YES [ ]  NO [ ]

 **If you have determined that the membership of the professional body is an indispensable condition of the tenure of your employment (point d above), please confirm that the following three conditions are met:**

1. The duties of the employee and the employment require the exercise or practice of the relevant occupation or profession YES [ ]  NO [ ]  N/A [ ]
2. The employee actually exercises or practices the relevant occupation or profession YES [ ]  NO [ ]  N/A [ ]
3. Membership of the professional body is an indispensable condition of the tenure of the employment\*\* YES [ ]  NO [ ]  N/A [ ]

*\*\*The following indicators have been provided by Revenue that a professional membership/ certificate is required to be held as part of the employee’s tenure of employment. More than one indicator should be met.*

* *A requirement is included in the employment contract to hold such membership*
* *all staff in the same role are required to hold the particular membership or certificate*
* *the employee would be dismissed or transferred without such membership or certificate*
* *job advertisements for the role required the membership or certificate to be held.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Staff Member** | **Declaration**  | **Signature** | **Date** |
| Claimant Name:  | *I confirm that I have read and understood the University’s policy on paying professional membership fee/subscription on behalf of its employees from university-controlled funds* |  |  |
| Approver Name:  | *I certify that payment of attached professional membership subscription/fee is wholly, exclusively, and necessary for the employee in question to fulfil their duties in the University* |  |  |

This completed form is to be submitted by claimant with supporting documentation (invoice or expense claim, job description extraction etc.) when payment of subscription is being processed.