

Title:	Remuneration and Reimbursement for Research Participants
Department:	Human Research Affairs
Policy Type:	Mass General Brigham System-wide
Applies to:	All MGB HealthCare Entities, Employees and Agents
Approved by:	Chief Academic Officer
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Contact Person:	Vice President, Human Research Affairs

KEYWORDS:

IRB: Institutional Review Board
IRS: Internal Revenue Service (federal)
AP: Accounts Payable Department
PI: Principal Investigator
CTO: Clinical Trials Office

DEFINITIONS:

Reimbursement: Payment to participants for expenses they have incurred (out-of-pocket) for participation in a research study. Examples include but are not limited to paying participants for parking, travel costs, meals during a study visit, taxi fare etc.

Remuneration: Payment to participants for time, effort or recognition for participating in a research study.

PURPOSE:

The purpose of this policy is to describe requirements for remuneration and reimbursement of research participants.

POLICY STATEMENT:

Mass General Brigham requires that investigators remunerate or reimburse research participants in compliance with Internal Revenue Service rules as well as Mass General Brigham requirements. Any payments to research participants must follow Mass General Brigham financial

accounting standards for accountability, custody, and reporting and Institutional Review Board (IRB) policies.

To ensure that taxable payments are appropriately reported to the IRS, and to the research participant, Mass General Brigham investigators must follow the procedures described in this Policy. Investigators must also inform research participants about potential tax consequences of receiving payment for participation during the informed consent process.

The Policy does not address the IRB's consideration of fair and appropriate payments from a human participant perspective, which is governed by the IRB policy. Investigators must abide by all of these policies and the requirements and procedures described therein.

Mass General Brigham requirements related to obtaining, making, and maintaining accountability for payments to research participants are detailed below.

REMUNERATION

Federal Tax Requirements for U.S. Citizens and Permanent Residents ("Green card" Holders)

Remuneration is considered taxable income to the research participant, regardless of the dollar amount. The IRS does not require Mass General Brigham to report payments totaling less than \$600 in a given calendar year; however, research participants may still need to report such payments on their individual income tax returns.

If Mass General Brigham pays \$600 or more to a person in a calendar year (excluding reimbursement payments), Mass General Brigham is obligated by the IRS to provide to that person a Form 1099-MISC that reports the total amount of all remuneration payments from Mass General Brigham in the calendar year. Examples of a person receiving income over \$600 includes:

- A person enrolls in a research study and is remunerated \$600 for a single study visit.
- A person enrolls in a research study and is remunerated \$200 for each study visit. In a single calendar year, they are paid for 5 study visits for a total of \$1,000 in a calendar year.
- A person enrolls in 2 different research studies, each remunerating them \$350 dollars in the same calendar year.
- A person enrolls in a study and is remunerated \$300 for a single or multiple study visits in a single calendar year, and they also serve on a patient advisory board for a Mass General Brigham department and are compensated \$500 for attending advisory board meetings in the same year they received the \$300 remuneration from the research study.
- *A person enrolls in a research study and is remunerated \$200 for the study visit. This individual was also paid \$2000.00 from MGH for providing translation services in a calendar year.*

To generate a Form 1099-MISC, Mass General Brigham must obtain the person's Social Security Number (SSN) or equivalent Individual Tax Identification Number (ITIN). These identifiers are also used to uniquely identify a person in our financial system so that payments over the course of a year may be

tracked and tallied.

The tax rules that apply to U.S. citizens and permanent residents differ slightly from the rules that apply to Nonresident Foreign Nationals (FN). Therefore, different procedures must be followed by the Investigator in each case.

Communicating with Research Participants

Individuals participating in research studies should be informed at the outset about any remuneration they may receive for their time and effort. Investigators should not attempt to provide tax or visa advice, but rather should suggest that potential research subjects seek their own independent advisors in these areas. However, the tax issues may affect an individual's decision to participate or not. Therefore, the investigator should inform the individual about the basic tax rules only as described in this Policy. This includes telling research subjects that Mass General Brigham will issue a 1099 Form to them and the IRS if they receive payments equal to or greater than \$600 each year. Whenever possible, the investigators should discuss these issues at least briefly on the phone in "pre-screening" or in person screening questionnaires.

Research participants who will receive remuneration should also be informed that they will need to provide their legal name, and Social Security Number (or ITIN) as described above, and that this information will be protected as described below. If the individual objects to giving their SSN, they may wish to decline participation in the study, or decline remuneration, and should feel free to do so. If an individual inquires about the option of participating but foregoing the payment altogether, they may be informed that this is an acceptable option, and the investigator should document the subject's inquiry and the agreed-upon plan.

Confidentiality of SSNs

Researchers are reminded that SSNs are confidential and sensitive information. Best practices for researchers include maintaining records/documents containing SSNs confidentially in locked files and not storing them electronically, and redacting/removing SSNs from study records when no longer required. Researchers should refer to Mass General Brigham policies regarding the storage and maintenance of Personal Information and Protected Health Information for additional guidance.

Collection of SSN for Research Remuneration

Mass General Brigham recognizes and supports the equitable inclusion of everyone in research conducted by our investigators. In some cases, the need to collect SSN or equivalent ITIN (SSN/ITIN) can be a barrier to participation in research. Therefore, Mass General Brigham is providing limited flexibility in the collection of SSN/ITIN for research remuneration, when it is not expected to put the system at risk of violating the rules related to generation of Form 1099-MISC. This is accomplished by setting a reasonable threshold, under which investigators do not need to collect SSN/ITIN – the *SSN Threshold Rule for Research Payments*:

SSN Threshold Rule for Research Payments:

The threshold is calculated as the total of all remuneration payments over the life of the study, even if the payments will be paid over the course of more than one calendar year. A study cannot be broken into different participants groups for purposes of this calculation (e.g. cannot collect SSN/ITIN for one group but not the other based on different remuneration amounts.)

- **Under or Equal to Threshold:** If a single research study proposes remuneration to participants under or equal to \$250 in total over the life of the study, the investigator does NOT need to collect SSN/ITIN. For example:

- A research study will provide a single payment of \$100.
- A research study will provide 5 payments of \$50 over the course of 2 years for a total of \$250 over the life of the study.
- **Exception 1:** If an investigator enrolls or is aware that a participant is enrolling in more than one study and/or Mass General Brigham activity and the combined remuneration payments to the participant in a single calendar year would exceed \$600, the investigator is required to collect SSN/ITIN. For example:
 - An investigator enrolls a participant in a 9-month intervention study that will remunerate \$200, but the division also routinely enrolls all participants in a repository that pays \$500 for collection of several types of samples and imaging, all that occur in the same year as the 9-month study. Both studies are required to collect SSN/ITIN as the participant will receive \$700 in a single calendar year (over the \$600 limit requiring generation of Form 1099-MISC by Mass General Brigham.)
- **Exception 2:** If an investigator wants to use a check to remunerate participants, it must be processed via the Mass General Brigham AP system and the participant SSN/ITIN must be collected regardless of amount being paid.
- **Over Threshold:** If a single research study proposes remuneration to participants over \$250 in total over the life of the study, the study investigator is responsible for collecting the SSN/ITIN prior to any research remuneration payments to participants. For example:
 - A study is approved by the IRB to pay \$50 per visit. The study is planned to last 3 years with expected payments to be \$100 in year 1, \$50 in year 2, and \$150 in year 3. The total amount to be remunerated to a participant over the life of the study is \$300 which is over the \$250 threshold. The investigator must collect SSN/ITIN beginning with the first remuneration payment to a participant.

If Mass General Brigham identifies that an individual is participating in more than one activity at Mass General Brigham where their combined income goes above \$600, then investigators will be notified to collect the SSN/ITIN, *whether or not payments have already been made to the individual.*

Methods of Remuneration to Participants

Remuneration for research participation must be provided using the following methods depending on study remuneration SSN threshold:

Remuneration Type	Allowed Method of Remuneration	
	Threshold: Under or Equal to \$250*	Threshold: Over \$250*
Debit Cards	Advarra Payments (Forte) <i>Must provide SSN/ITIN & valid U.S. Address</i>	Advarra Payments (Forte) <i>Must provide SSN/ITIN & valid U.S. Address</i>
Gift Cards	Purchased on an MGB Corporate Card	Not Available
Mass General Brigham eCheck	Accounts Payable online system <i>Must provide SSN/ITIN & valid U.S. Address</i>	Accounts Payable online system <i>Must provide SSN/ITIN & valid U.S. Address</i>

*Total of all potential payments to participant over the life of the study regardless of number of years over

which payments will be distributed

Effective June 20, 2024, the following prohibitions apply:

- a. Cash (including Petty Cash) cannot be used to provide remuneration to research participants.
- b. Personal funds (e.g. study team personal funds) cannot be used to provide remuneration to research participants. This includes purchasing gift cards, debit cards, issuing a personal check or any other items purchased with personal funds. Study teams cannot purchase any items for participant payment with personal funds and request reimbursement from Mass General Brigham or the sponsor.
- c. Use of external vendors to pay research participants is prohibited if the cost of the remuneration will be budgeted and charged to Mass General Brigham funds.

NOTE: Study teams do not have authority to independently engage additional external vendors to provide remuneration. Authority to add new external vendors is determined by Human Research Affairs in consultation with Finance, Supply Chain, Digital, Research Information Security Office, and the Clinical Trials Office.

- d. Sponsors cannot require use of a specific vendor if remuneration will be provided by Mass General Brigham and charged to Mass General Brigham funds.

NOTE: In circumstances where remuneration will be paid by and provided to participants directly by a sponsor, sponsor policies and sponsor vendor selections apply and the sponsor retains responsibility for issuing Form 1099-MISC and withholding for payments to Foreign Nationals. The research agreement must include terms indicating the responsibility of the sponsor to remunerate participants directly and it must be described in the IRB Detailed Protocol and the informed consent document.

There are no grandfathered prior approvals to provide remuneration by any of the means listed above.

Remuneration to Minors

Remuneration can be paid to either a minor or their parent/guardian as approved by the IRB. When remuneration is \$600 or more in a single tax year, the 1099 will be issued to either the minor or the parent/guardian based on who was remunerated. If remuneration is paid to a minor, the 1099 cannot be issued to the parent/guardian or vice versa.

Remuneration to Mass General Brigham Employees:

Mass General Brigham employees may participate in research studies in different roles. Researchers must be clear on the role of the employee to determine whether or not remuneration in addition to their salary is permitted as described below.

Additional Remuneration Not Allowed:

- **Research staff:** An employee who is receiving salary support for their role/work on the study that is part of their job description are not allowed to receive additional remuneration for this work.
 - Example: A clinical research coordinator helps coordinate a research participant recruitment event in which coffee gift cards are given to those recruited. The employee may not receive a gift card or other remuneration (in addition to their salary) for performing this work as described in

their job description.

- **Employee supporting a study without salary support:** An employee who is supporting or assisting the performance or outcome of the study *as part of their regular job* but are not receiving salary support from the project are not allowed to receive additional remuneration for this work.
 - Example: nurses are required to take study subjects from a study room to CT in the hospital.

Additional Remuneration Allowed:

- **Service Providers:** Employees who provide services to a research study that are not in their job description (i.e. not part of their regular job) *and do not require them to be named as research team members* on the IRB protocol, may be paid for their time/effort. Any such payments can only be made through MGB Payroll and will be included in the employee's paycheck and Form W-2 issued at the end of the applicable calendar year. Federal costing regulations, including requirements around effort and Institutional Base Salary, need to be considered before finalizing payments for these types of services. (See Mass General Brigham [Policy on Internal Consulting on Research Grants and Contract](#) and Mass General Brigham [Gift Acceptance Policy](#).)
 - For example, if a health care provider conducts a medical chart review to assist the study team in identifying their clinical patients who might be eligible for recruitment into a study and refers them to the study team (does not directly recruit them), any remuneration for their time must be made through MGB Payroll. They could not, for example, be provided a gift card or other form of payment.
- **Research Participant:** If specifically approved by the IRB, a study may recruit/enroll employees as research participants.
 - Remuneration issued to research staff for participation as research participants should be issued pursuant to the rules stated for research subjects.
 - Any remuneration amount to an employee for research, distinct from compensation, is taxable when the remuneration is \$600 or greater in a single year.
 - An employee who is being paid as a research participant is prohibited from being involved in the payment process for any payments to themselves.

Fiscal Oversight

The costs of providing payments (either remuneration or reimbursement) must be charged to an active and eligible sponsored or research sundry fund in the defined range of research funds that include:

Fund	Description
FC066	Research Sundry
FC068	Research Private Foundation
FC070	Research NIH
FC071	Research Other Federal
FC072	Research Non-Federal
FC073	Research Industry
FC074	Research Foundation

Participant remuneration and reimbursement are considered research expenses that cannot be charged to Operating cost centers or non-research funds (e.g. non-research sundry funds.) See [Sundry Fund Policy and Procedures](#) for more information.

Designated roles within Enterprise Services Accounting have oversight of approved methods of remuneration to ensure that appropriate internal controls are in place and followed for the request, distribution, and reporting of all remuneration Mass General Brigham provides to study participants. The Mass General Brigham Research Controller and Tax Director work with Human Research Affairs as needed to address Internal Control questions specific to this policy. Supply Chain, the Clinical Trials Office and Internal Audit Services will be involved as needed to maintain the control structure that meets overall Mass General Brigham standards.

Remuneration to Nonresident Foreign Nationals (Nonresident Aliens):

*Applies to individuals that are **not** U.S. citizens, do not have a green card (permanent residents) or formal visa status allowing them to work in the U.S., or is not resident alien that meet the substantial presence test (please refer to [Policy for Paying Foreign Persons \(Nonresident Aliens\)](#)).*

Regardless of dollar amount, payments to Nonresident Foreign Nationals (FN) may be taxable income to the individual. The extent to which these payments are taxable varies depending on the circumstances. Furthermore, there are certain visa classifications that prohibit any kind of payment beyond what is specifically allowed under the visa. Some foreign nationals may receive tax benefits under treaties.

Guidelines to determine Foreign National status and procedures to request these payments are outlined below.

- **Remuneration to FN Participants Outside the US:** Remuneration paid to FN research participants who participate while physically present **outside of the United States** are not subject to the *Policy for Paying Foreign Persons*. Therefore, these payments will be made with no tax withholding and will not be reported on a Form 1042-S.
- **Remuneration to FN Participants In the US:** Remuneration paid to FN that participate as a subject in a research study while physically present **in the United States** are subject to the *Policy for Paying Foreign Persons* and will generally be subject to 30% tax withholding and reporting on a Form 1042-S.
- **Reimbursements:** Reimbursements to Foreign Nationals for travel and living expenses incurred associated with travel to the US must be accompanied by proper substantiation (pursuant to the [Policy and Procedures for Employee Business Expenses](#)) and are not subject to tax withholding or reporting.

If you have read this policy and still have questions about tax treatment of payments to nonresident foreign nationals in specific situations, you may contact the Mass General Brigham International Office or the Tax Department. The Mass General Brigham IRB will generally direct such questions it receives to one of these other offices as appropriate. Again, subjects should be directed to consult with their own tax advisors regarding any questions about their reporting or other tax responsibilities.

REIMBURSEMENT

Direct payment by Mass General Brigham of expenses that the participant would otherwise have to incur to participate in the research is allowed (e.g., when an investigator books and directly pays for a subject's flight to travel to Mass General Brigham or hotel to stay in for a study visit or provides the subject with a parking sticker or meal voucher). Such direct payments are encouraged, where possible, to avoid complicated reimbursement requests from subjects (such as in the case of significant expenses like flights and hotels) or numerous small reimbursement requests (such as for items like parking or meals).

- Direct payments by Mass General Brigham are not considered taxable income, as long as the

- investigator retains receipts or maintains records equivalent to receipts reflecting the payments.
- Direct payments must follow the guidelines outlined in the Employee Business Expense Reimbursement Policy and the Mass General Brigham Corporate Card Policy.
- All direct payments must be charged to the sponsored or sundry fund supporting the study as costs are incurred.
- Investigators and study teams cannot prepay costs for study participants using personal funds and request reimbursement.

Participants may also be reimbursed for expenses they incur to participate in the research.

- Reimbursement may be made only if a receipt for the expense is provided by the subject.
- Reimbursement of expenses based on receipts is not considered taxable income.
- Mass General Brigham policies and procedures for reimbursement of costs are outlined in the [Policy and Procedures for Employee Business Expenses](#). The requirements of this policy apply fully to reimbursement of study related costs incurred by participants.

Pre-payment of “estimated expenses” that are not based on receipts or actual costs incurred are considered taxable income. However, pre-payment of expenses is not considered taxable income if the subject provides receipts within a reasonable time after incurring the costs and returns the excess – if any—of the dollar amount that was pre-paid over the actual costs reflected in the receipts. In light of these tax rules, reimbursement of expense receipts instead of pre-payment may minimize the possibility that participants’ expenses will be considered taxable income.

- **Meal Vouchers / Parking Stickers and Other Direct Payments:** Researchers should be aware that meal vouchers and parking stickers are available and may be more efficient than providing reimbursement for small or numerous such expenses. Other direct payment of significant expenses, such as flights and hotel rooms are encouraged when possible, to avoid complicated participant reimbursement requests.
- **Tangible Gifts:** Tangible gifts include items of nominal value (\$100 or less) that are given to a research subject (e.g., a toy for a child participant or a tote bag or water bottle). In order to ensure compliance with tax reporting requirements, a maximum value of \$100 has been set for a tangible gift. An exception may be approved by the Mass General Brigham IRB, but only if the IRB determines that the cost of the item still qualifies as nominal, and that there is a justifiable basis for the exception. For example, occasionally an item is used by a subject as part of the study (such as a glucose monitor or another electronic device to track relevant data) and the item would otherwise be discarded after the study. This would be a justifiable basis for giving the item to the subject at the completion of the study even though it may exceed the \$100 maximum.
 - Tangible gifts as described in this Policy are not taxable income to the subject.
 - The use of tangible gifts as payments must be consistent with the terms of the grant or other source of funds.
 - Although tangible gift items may be considered expendable, care should be taken not to over-purchase them. Investigators are responsible for the safekeeping of the distribution of these items to subjects. Researchers anticipating the use of such items for subject payment should contact their local Research Compliance office with any questions prior to purchasing such items.
 - Purchasing tangible gifts can only be done on MGB corporate cards and must be approved in the IRB protocol.
 - Industry provided tangible gifts are allowed but must be approved in the IRB protocol.

OTHER APPLICABLE MGB HEALTHCARE POLICIES:

Remuneration for Research Subjects
Employee Business Expense Reimbursement Policy
Mass General Brigham Corporate Card Policy
Policy for Paying Foreign Persons

ATTACHMENTS:

None

DEVELOPMENT AND CONSULTATION

Reviewed by:	Original Review Date:	Revision Approval Dates:
Human Research Office		
Office of the General Counsel		
Finance		
Research Compliance		