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Remuneration of test subjects

These guidelines cover situations where research activities require the use of volunteer test subjects. The guidelines apply to both persons who are in an employment relationship with Aalto and those recruited from outside Aalto.

Before a form of remuneration is selected, the first step is to ensure that the financier of the research project accepts the remuneration of test subjects and agrees to cover the remuneration costs. The test subjects will be asked for personal data only insofar as necessary for the research project and for remuneration. The data has to be processed in an appropriate manner.

The remuneration is given to the test subjects or transferred to their bank accounts only after their participation.

The Finnish Tax Administration is **likely to consider the remuneration as taxable income** to the test subject. As a result, the remuneration may affect the test subject's final amount of taxes that year even if Aalto University does not withhold tax on the monetary remuneration or the item given as a reward. Decisions on taxation are made by the Finnish Tax Administration, and in the end, the test subject is responsible for providing the Tax Administration with the information that has a bearing on the test subject's taxes.

The recommended forms of remuneration are an item from or a gift voucher to Aalto University Shop, or a free lunch or coffee on campus. Travel costs may only be reimbursed in exceptional cases. The practical steps related to different forms of remuneration are described below.

1 An item from Aalto University Shop

The preferred form of remuneration is an item from Aalto University Shop or a gift voucher of a maximum of 30 euros to the shop. As these are comparable to business gifts, the recipient is not liable to pay tax on them. Aalto University does not maintain a register of the recipients of Aalto products and does not report these gifts to the Tax Administration.

Practical steps

- The research group buys the reward items from Aalto University Shop.
 - In the Aalto shop online store, select *Internal order*, in which case the prices will be updated to Aalto's internal prices and the invoice will be sent to Rondo.
 - Gift cards can be chosen in physical or electronic version, ie they can either be picked up or ordered by e-mail.
- Each test subject receives a reward after participating in the study.
- Their personal data is not collected.

If the value of an Aalto product or Aalto Shop gift voucher substantially exceeds €30, proceed in accordance with section 4.

2 Meal or coffee on campus

Alternatively, it is possible to offer the test subject meal/lunch or coffee in a restaurant or café on campus. The maximum value of the meal or coffee may be 30 euros and it may not include alcoholic beverages. Lunches and coffees are considered tax-exempt gifts to the recipient. Aalto does not report them to the Tax Administration.

Practical steps

- The research coordinator buys the test subjects meal/lunch or coffee on campus or purchases gift vouchers entitling the test subjects to lunch or coffee in a restaurant or café on campus.
- Each test subject receives a reward after participating in the study.
- Their personal data is not collected.

If the value of the meal or similar gift voucher offered substantially exceeds €30, proceed in accordance with point 4.

3 Monetary remuneration

Test subjects may be paid compensation for participating in the study if it takes more time or effort than might normally be expected. The usual sum in this case is 40–100 euros. Monetary remuneration is **always considered to be taxable income** to the test subject, from which Aalto must withhold tax even if no other expenses are withheld. (In this case, the income type of the remuneration is 'compensation for use'.)

Practical steps

- The research coordinator collects the test subjects' personal data, bank account numbers and tax cards.
- Information on the remuneration and the test subject's personal information, tax card and bank account number has to be sent to the Aalto payroll using the **fees form** online.
- The Aalto payroll will pay the remuneration, withhold and report the remuneration to the Incomes Register. **Please notice:** The form must state separately if the tax card is not delivered, in which case the withholding tax will be made in accordance with 60% / 35% (withholding tax).

4 Other items or gift vouchers

It is not advisable to reward test subjects with other kinds of items or gift vouchers. The recipient is often liable to pay tax on them, and Aalto has an obligation to report the item/voucher values and the recipients to the national Incomes Register, which may in turn affect the recipients' final amount of taxes.

However, if test subjects are nonetheless given items or gift vouchers other than those specified in points 1 and 2, the following steps has to be taken:

- The research group has to collect the test subjects' personal identity codes and other personal data in an appropriate manner.
- Required information:

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- *Finnish government identity number*
- *delivery date (not the date you have paid the rewards/gifts)*
- *the monetary value of the reward per person*
In addition if the recipient does not have a Finnish personal hour
- *full legal name*
- *date of birth*
- *home address in the country of residence*
- *country of residence / home country*
- The research group needs to submit information on the rewards and the recipients **using the teamsform**. Aalto's Financial Services will submit the information given to the national Incomes Register.
 - <https://forms.office.com/r/FpzZSdsjyJ> (Finnish government ID)
 - <https://forms.office.com/r/PYHMRMB1nU> (tax withheld at source, No Finnish government ID)
- **Alternatively**, the information is reported directly to the income register if the department has a person authorized to do so.

The situation where the prize has been drawn, the value of the item is less than 100 € and the recipient is not employed by Aalto is the only exception to the above. In this case, the recipient's information and the value of the award will not be disclosed to the taxpayer and personal information will not be disclosed as described above.

Forbidden forms of remuneration

Test subjects may not be paid in cash or given open gift vouchers. If items of any monetary value are given, the instructions in points 1 or 4 above must be observed.

Reimbursement of travel and accommodation costs

Travel costs are not reimbursed under normal circumstances. Reasonable travel and/or accommodation costs may be reimbursed if a person invited to participate as a test subject has higher than normal travel costs and/or needs accommodation to be able to participate. The person accompanying the test subject may also have these costs reimbursed.

The reimbursement for travel and accommodation costs is tax-free if the actual remuneration for participation (i.e. an Aalto product or lunch on campus) is regarded to be tax-free (see points 1 and 2 above). The test subject's personal details, bank account number and receipts of the expenses are collected via **the electronic reimbursement form** (travel services). Please remember to choose the right expense type in Neo.

If the test subject receives a taxable monetary reward or another reward regarded as taxable (see points 3 and 4 above), the reimbursement for travel and accommodation expenses is also subject to tax. In practice, this means that Aalto must declare reimbursed travel and accommodation expenses in the income register. Travel and accommodation expenses are dealt with in **Neo**, where the correct type of expenses must be indicated (Taxable).

Entry into force

These guidelines will enter into force on 15 November 2021 and apply to research projects arranged after this date.