

## TC IRB Researcher Guidance on Compensating Research Participants

### I. Purpose

This guide aims to support researchers in developing study protocols that align with regulatory standards and adhere to best practices for compensating human research participants.

**Note:** While this document outlines general considerations related to participant payments and ethical review, the **selection of payment types, mechanisms for disbursement, and associated administrative procedures** (e.g., payroll, gift card distribution, or procurement methods) are typically **determined by the investigator's home department or administrative unit**. Researchers are advised to consult with their department's administrative staff, and/or their business office to confirm applicable procedures and requirements. Financial disbursement procedures may vary by unit. Inquiries regarding reimbursement for expenses related to grant-funded should be directed to the [Office of Sponsored Programs](#) if the study is grant-funded. The TC IRB reviews compensation plans for ethical appropriateness and potential undue influence **but does not manage the operational processes for payment disbursement, tax reporting, or financial approvals**.

### 2. General Considerations for Compensation

Researchers should explain compensation details, such as method (e.g., card), timing (e.g., at the end of the study), and any limitations (e.g., passing attention checks) in their IRB Application, Informed Consent document, and recruitment materials. Detailed compensation explanations allow IRB reviewers to thoroughly assess the proposed payment amount, recipient, and method of disbursement, ensuring that payment for participation does not exert undue influence on the participant's decision-making. Study participation compensation should not serve as a sufficient inducement for the participant to volunteer.

IRB reviewers will evaluate the impact of study participation on the potential participant's daily life. Factors considered include:

- Adjustment or loss of time from usual activities (e.g., work breaks, childcare)
- Complexity of study tasks
- Time commitment (e.g., 30 minutes, twice a week, for ten weeks)
- Travel and parking expenses to and from the study site.

### 3. Payment Types and Applicable Tax Rules

This summary outlines the types of payments that can be made to participants in research studies and the tax implications of these payments under federal and state laws, along with the procedures required for each type of payment:

- Compensation for participation: As compensation, participants may receive an item, cash or cash equivalents, such as checks or gift cards for their time and effort in a study. Compensation is considered taxable income, regardless of the amount.
- Reimbursement for expenses: Participants may be reimbursed for out-of-pocket costs directly related to their participation in the study (e.g., travel, parking, meals). Reimbursement should be based on actual expenses and supported by receipts whenever possible. Researchers are encouraged to

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minimize participant burden by arranging and directly covering expenses (e.g., booking travel or lodging), when feasible.

- **Tangible gifts:** Small tangible items (e.g., food, toys, stationery, or water bottles) may be offered as a token of appreciation for participation. These items should be of nominal value, appropriate to the nature and duration of the research, and must not be so substantial as to unduly influence participation. While tangible gifts are generally not considered taxable income, researchers should ensure the items are reasonable in context and justified in the IRB application. The IRB will evaluate such gifts on a case-by-case basis to ensure they align with ethical principles of equity and voluntariness.
- **In-kind:** In-kind compensation (e.g., access to training, software, equipment, or other non-cash items) may be provided to participants in lieu of or in addition to monetary payment. As with all forms of compensation, in-kind benefits should be equitable, proportionate to the time and burden of participation, and must not be so valuable as to unduly influence a person's decision to take part in the research. Researchers must justify the appropriateness of any non-cash items offered, and IRB review will consider the potential for undue influence on a case-by-case basis.
- **Incentives:** Incentives are payments or offerings above and beyond what is necessary to reimburse out-of-pocket expenses or compensate participants and may be considered to ensure that studies meet recruitment and retention targets. Incentives may address existing barriers, bolster nominal payments, or provide access to programs or resources.

**Note:** Each type of payment has specific procedures to ensure compliance with tax laws and to minimize the tax burden on research participants. Additionally, the appropriateness of the compensation depends on the research activities, the participant population, and the cultural, social, and political context. Compensation should not be so significant that it could lead participants to act against their interests or judgment.

#### 4. Key Considerations for Compensation Plans

- **Avoiding coercion and undue influence:** coercion involves pressuring participants through threats or negative consequences, while undue influence arises from offering excessive rewards. Both must be avoided to ensure voluntary participation.
- **Equitable compensation:** participants doing the same tasks should receive similar compensation, though variations can be justified under certain conditions, like differing cultural practices in various countries.
- **Presentation of compensation:** compensation information should be presented in recruitment and consent materials without overshadowing critical study information or being portrayed as a study benefit.
- **Privacy and confidentiality:** the process of compensating participants, which might involve collecting personal information, poses privacy risks. Researchers should devise compensation methods that minimize these risks.
- **Pro-rating compensation:** where possible, offer partial compensation for partial participation to avoid coercion. Full compensation contingent on complete participation can be problematic.
- **Restrictions on payments:** The institution prohibits payments to professionals for referrals ("finder's fees") and payments that could unduly accelerate recruitment through bonuses tied to enrollment rates or timing. The American Medical Association, for example, has identified [referral](#)

[fees as unethical](#). Furthermore, referral payments are illegal in certain circumstances. For example, referral fees may violate the [Federal Anti-Kickback Statute](#) if federal healthcare programs are involved. In general, payments for participant referrals are discouraged and are allowable only in rare circumstances in which the potential for undue influence and/or coercion is negligible.

- **Risk of harm:** Offering compensation, particularly in certain forms or contexts, can increase participants' risk of harm. Researchers need to consider and mitigate potential risks when planning compensation.
- **Teachers & DOE:** New York City's conflict of interest law states that NYC Department of Education teachers cannot receive compensation for participation in research studies. TC researchers cannot give teachers monetary compensation for research conducted during class time or typical work hours (see [NYC DOE Institutional Review Board Information for Principals](#) for more information).

## 5. Compensation Considerations for Vulnerable Populations

Researchers must carefully navigate compensation plans for research involving vulnerable populations, to ensure fairness and minimize undue influence or risk.

Compensation strategies for low-income and other socially/materially vulnerable populations, minors, prisoners, refugees, and undocumented individuals, highlighting appropriate practices include these considerations:

### *Low-Income and Socially/Materially Vulnerable Populations*

- **Appropriate compensation methods:** tailor compensation to the participants' access to resources, such as offering local grocery store gift cards over online retailer cards.
- **Avoiding exploitation and undue influence:** seek input from those familiar with the population to determine fair compensation that neither exploits nor unduly influences participation.
- **Equitable participation:** while striving for inclusive research opportunities, ensure compensation doesn't obscure the study's risks or overly entice participation.

### *Minors*

- **Age-appropriate compensation:** choose compensation that suits the minor's age and study context, such as toys for young children and gift cards for teenagers. Exercise caution with cash compensation to avoid potential risks.
- **Legal age for consent:** recognize that the age for legal consent varies by jurisdiction. Compensation for minors and/or their guardians is permissible but requires thoughtful consideration.
- **Parental influence:** to prevent undue influence, compensate parents by reimbursing expenses and offer minors a token of appreciation, keeping their developmental stage in mind.
- **Safety and sensitivity:** when offering food items, consider allergies and safety. Design compensation methods to minimize peer pressure among youth participants.

### *Prisoners*

- **Institutional restrictions:** check with the penal institution for any compensation restrictions. Federal guidelines urge careful consideration to prevent coercion among prisoners.

- **Safety and privacy:** offer compensation privately to maintain participant safety and ensure it doesn't promise extra institutional privileges.

#### Refugees

- **Appropriate compensation methods:** compensation could be monetary or non-monetary. Non-monetary compensation might include essentials like clothing and food, which are especially relevant in refugee camps. Monetary compensation should be carefully evaluated for its appropriateness based on the study's setting and objectives.
- **Avoid exploitation and undue influence:** ensure that the compensation structure respects the dignity and rights of refugee participants. Compensation should not coerce participation or exploit the participants' vulnerable status.
- **Safety and sensitivity:** The use of incentives needs to be placed in context to understand the amount of influence they may have. Five USD inside a refugee camp in Kenya, for instance, can have a drastically greater impact than the same incentive provided after resettlement in the United States. Additionally, if implemented inappropriately, incentives can contribute to inequality between participants and non-participants. *Engagement with community leaders, local nongovernmental organizations, local ethics committees, or other refugee health experts may help in establishing whether incentives have appropriate values or whether they should be offered at all.*
  - While U.S. tax reporting obligations generally do not apply to non-U.S. participants who are paid outside the United States, researchers should note that certain payment methods, particularly those issued by U.S.-based institutions, may be subject to IRS reporting or withholding requirements
  - Additionally, tax laws and reporting obligations vary by country. It is important for researchers to be aware of local legal or tax considerations where participants reside. Therefore, researchers are strongly encouraged to consult their department or business office and, when applicable, engage local legal or financial experts to ensure compliance with international tax obligations.

#### Undocumented Populations

- **Minimizing risk:** The collection of personal information and tracking compensation can elevate risks for undocumented participants. Consider non-monetary compensation to mitigate these risks.

For all vulnerable populations, the goal is to design a compensation strategy that is respectful, ethical, and minimizes any potential harm or undue influence, ensuring that participation in research remains a fair and voluntary choice.

## 6. Guidelines for Including Compensation in IRB Protocol Submissions

To ensure that the proposed compensation for research participants is conducive to voluntary participation, fair, and does not introduce undue risk, the TC IRB requires detailed information on the nature, timing, and method of compensation. This information is crucial for the IRB to assess how compensation is integrated into the recruitment and consent stages of the research process. Below is an outline of what needs to be detailed in the IRB application and how to approach the development of recruitment and consent materials effectively:

### The IRB Application

#### Section II: Description of Study Activities & Procedures

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- **Compensation Details:** Specify the type (e.g., cash, gift card, course credit) and value of compensation, including the timing and method of distribution.
- **Course Credit and Alternatives:** For compensation in the form of course credit, describe alternative options for non-participating students. Additionally, students who withdraw from a research study for course credit must receive full course credit for participation. When payment is offered, credit for payment accrues as the study progresses (as appropriate to the research), and is not contingent upon the student completing the entire study. (see [Guide for Working with Your Own Students](#) for more information).

At TC, the availability of course credit for research participation is not guaranteed for all classes. Whether course credit is offered depends on the discretion of the individual course instructor and the stipulations laid out in their syllabus. Researchers should refrain from using course credit as a recruitment incentive unless they have a specific course in mind that offers such credit for participation in their study. This means that researchers must have a direct link to, or knowledge of, a course that provides credit for research participation; they should not merely assume or speculate about the existence of such a course.

When confirming a student's participation in a study for course credit, researchers must use de-identified documentation. This ensures that no documentation containing the study participant's name is circulated. Instead, a "receipt" of participation, which does not reveal the student's identity, should be provided. This receipt can then be submitted by the student to their course instructor who grants credit for study participation.

- **Drawings:** If compensation includes entry into a drawing, use the term "drawing" and clarify the odds of receiving the drawing to participants, avoid using terms like "lottery" or "raffle" due to their legal implications (see [Tips for Compensating Research Participants](#) for more information).
- **Partial compensation:** Indicate whether participants will receive compensation for partial participation and outline the specifics of such arrangements.
- **Rationale for compensation:** Justify the provision of compensation, its amount, and why it's deemed appropriate considering the target population, research demands, and the cultural/social/political context.
- **Reimbursement for costs:** If participants might incur costs (like parking fees), detail these expenses, how they will be reimbursed, and differentiate this from other compensation forms.

### Section IV: Confidentiality Procedures & Participant Privacy

- **Handling of personal information:** Explain the use of personally identifiable information for compensation, its storage, security measures, access permissions, and destruction timeline:
  - Because of the sensitive data associated with Social Security Numbers (SSNs), these should generally be collected for research payment *only when necessary to comply with IRS reporting requirements*. For projects that involve the collection of SSNs, or any other personally identifiable information (e.g., names, address, emails), this should be explained in the IRB application. The application should indicate that these data will be collected separately from the research records and should describe security measures that will be used to protect participant confidentiality. Best practices for investigators include maintaining records/documents containing SSNs confidentially in locked files and not storing them



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electronically, and redacting/removing SSNs from study records when no longer required (see [Privacy and Confidentiality Differences](#) for more information).

- **Confidential/anonymous study participants:** If the IRB has approved a waiver of signed consent pursuant to 45 CFR 46.117(c) (1) (confidential/anonymous waiver) or the study includes a [Certificate of Confidentiality](#), compensation or incentives should also maintain to confidential/anonymous practices. As such, study compensation should not be issued via check with personal identifiers; instead, these incentives should be paid in cash, gift cards, and/or tangible goods of value.

### Consent (s)

#### Section *WILL I BE PAID FOR BEING IN THIS STUDY?*

- ⌘ **Compensation specifics:** detail the type, value, and distribution method of compensation, and clarify the policy on partial compensation.
- ⌘ **Drawings:** for chances to receive compensation through drawings, disclose the participants' chances of receiving the compensation. To avoid the possibility that a drawing would be perceived as a lottery, the protocol should describe procedures for ensuring that all individuals who are contacted concerning the research will be allowed to enter the drawing:
  - Clarify that the opportunity to receive compensation through drawings is open to all individuals contacted about the research. This includes:
    - ➔ Individuals who are invited to participate but choose not to.
    - ➔ Prospective participants that were found to be ineligible.
    - ➔ Participants who initially enroll but later decide to withdraw or are withdrawn by the research team.
  - Confirm that anyone who expresses a desire to participate in the drawing will be allowed entry, ensuring no one is unfairly excluded.
  - Outline the steps taken to ensure the drawing is conducted fairly and transparently, emphasizing the measures in place to prevent it from being perceived as a lottery.
  - Provide details about the prizes, including their estimated value and the total number to be awarded.
  - If the exact chances of receiving compensation are known, they should be disclosed. If not, include language explaining that the chances  
Depend on the number of participants in the drawing. For instance, "*the chances of receiving a \$25 gift card in any drawing depend on the total number of entries. As the number of participants in this study-related drawing is uncertain, we cannot specify the exact chances of receiving compensation.*"
  - Specify the approximate date (e.g., month and year) when the drawing will take place.
  - Detail the method by which the participant drawn will be notified about the compensation.
- ⌘ **Reimbursement information:** if applicable, explain how participants will be reimbursed for any costs incurred, distinctively separating it from other compensation forms.
- ⌘ **Taxable income reporting:** Investigators should not provide tax or visa advice to research participants. Instead, participants should be encouraged to consult independent tax or legal advisors if they have questions about the implications of receiving compensation. However, because compensation may affect an individual's decision to participate, researchers should inform participants of **basic reporting practices** relevant to the study. For example, participants should

be told that **they may be asked to provide a SSNs or Individual Taxpayer Identification Number (ITIN)** if their compensation reaches a certain threshold (e.g., \$600 in a calendar year), and that this information will be stored securely and used solely for required reporting purposes.

If a participant is unwilling to provide this information, they may decline payment or choose not to participate. Researchers should be prepared to discuss this during pre-screening or eligibility discussions and should document any participant request to forgo compensation and the agreed-upon approach.

**Note:** If a researcher anticipates that a participant may receive \$600 or more in total compensation within a calendar year from Teachers College, they should consult their department's administrative staff to ensure the appropriate reporting procedures are followed. Compensation from multiple studies may be aggregated when determining reporting obligations. While individual payments under \$600 may not trigger IRS Form 1099 on their own, a form may still be issued if the combined annual total meets or exceeds this threshold. However, **most research projects at TC historically do not meet this threshold.**

#### Section PROTECTION OF YOUR CONFIDENTIALITY

- ✧ **Handling of personal information:** If you are collecting identifiable information to provide compensation or reimbursement, participants must be clearly informed of:
  - **What is collected** (e.g., name, email address, mailing address).
  - **Why it is collected** (e.g., to deliver a gift card or process a reimbursement).
  - **How it is stored and secured**, and that it is **not linked to their study responses**.
  - **Who will have access** (e.g., only personnel responsible for compensation).
  - Whether it will be **retained or deleted** after payment processing.
  - Any applicable **exceptions** (e.g., required retention by the institution's finance office).
- ✧ **Taxable income reporting:** Research participants who will receive payments equal to or greater than \$600 each year from Teachers College should also be informed that they will need to provide their SSN or ITIN and that this information will be protected. 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 a participant inquires about the option of participating but forgoing the payment altogether, they may be informed that this is an acceptable option, and the investigator should document the participant's inquiry and the agreed-upon plan.

#### Recruitment Materials

- ✧ Incorporate compensation information in a manner that does not overshadow critical study details, ensuring participants can understand the study comprehensively.

### 7. Tools to Support Your Submission: Checklist and Sample Language

To help researchers align with TC IRB expectations, the following tools have been developed to assist in preparing compensation plans that are ethical, transparent, and compliant with applicable regulations.

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- **Compensation planning checklist for IRB submissions:** This checklist summarizes key elements the IRB considers when reviewing participant compensation plans. It is intended as a final review tool for ensuring that compensation is well-justified, clearly described, and properly documented across all study materials.
- **Sample Language:** Additionally, examples of recommended language have been provided for use in IRB applications, consent forms, and recruitment materials. These can be adapted to fit the specifics of your study, provided they maintain clarity and accuracy.

Researchers are encouraged to consult these tools when designing studies and preparing IRB submissions. Both the checklist and sample language are designed to streamline IRB review and reduce the need for revisions. Click here to access the [TC IRB Researcher Checklist when Compensating Research Participants](#).

## Resources

- € [U.S. Department of Health and Human Services \(DHHS\) Code of Federal Regulations Title 45, Part 46 – Protection of Human Subjects](#)
- € [U.S. Food and Drug Administration \(FDA\) Code of Federal Regulations Title 21, Part 50 – Protection of Human Subjects \(other parts, e.g. parts 56, 312 and 812, also apply\)](#)
- € [DHHS's Office for Human Research Protections \(OHRP\) FAQs on informed consent](#)
- € [FDA's Payment and Reimbursement to Research Subjects: Guidance for Institutional Review Boards and Clinical Investigators](#)
- € Różyńska J. (2022). The ethical anatomy of payment for research participants. *Medicine, health care, and philosophy*, 25(3), 449–464. <https://doi.org/10.1007/s11019-022-10092-1>
- € Nyangulu, W., Mungwira, R., Nampota, N. et al. (2019). Compensation of subjects for participation in biomedical research in resource-limited settings: a discussion of practices in Malawi. *BMC Med Ethics* 20, 82 <https://doi.org/10.1186/s12910-019-0422-6>
- € [Attachment A - Addressing Ethical Concerns Offers of Payment to Research Participants](#)
- € Gelinas, L., Largent, E. A., Cohen, I. G., Kornetsky, S., Bierer, B. E., & Fernandez Lynch, H. (2018). A Framework for Ethical Payment to Research Participants. *The New England journal of medicine*, 378(8), 766–771. <https://doi.org/10.1056/NEJMsbl710591>