RMS Operations

BRANCH HONORARIA

BRANCH RELEASE NOTES

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Distribution List

Name	Role
RMS Operations London	
IMPS	
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Contents

1. WHAT'S THIS?

This guide shows process and procedures branches need to follow when requesting honoraria payments.

It includes advice on:

- ✓ How to request honoraria payments
- ✓ Rules around honoraria
- ✓ How honoraria payments are processed
- ✓ How honoraria payments are paid
- ✓ The role of the region

2. RULES AND PROCEDURES

1. 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.

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

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

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

5. Each year the branch committee must ensure their honoraria proposals are discussed as part of their joint branch assessment.

6. Any activist holding more than one post can only receive an honorarium for one post. In reality this will usually be the post with the highest payment.

7. Honoraria payments should be reasonable and commensurate with other activity within the branch.

8. In cases where honoraria proposals exceed 10% or produce a deficit budget they would be referred to the appropriate regional committee group with delegated responsibility for discussion and decision.

9. Branches must be given the opportunity to present their reasons why the intervention level has been exceeded.

10. Regional committees will be advised that they will need to make a decision so that all references are decided before the Branch AGM is held.

11. Each year the branch committee must submit full details of their honoraria proposals to the annual meeting of the branch. This must include the name of post holder, their post and the amount that is proposed.

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

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

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

15. In exceptional circumstances and where there is a fundamental disagreement between the branch, region and /or regional committee the matter can be escalated to FRMC.

2.1 The Regional Committee

- Under rule G3.3.4 the annual meeting of the branch must agree any proposals for branch honoraria in line with the National scheme. Should the meeting be inquorate then these proposals should be considered by the Regional Council or the relevant delegated Lay body in the region.
- If 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.

2.2 Payment of tax and National Insurance

All approved honoraria will be paid by UNISON Centre. 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. UNISON Centre will pay all tax to HMRC and so discharge UNISON's liability on approved honoraria.

Where a payment is made on or before 15 March 2023, a branch officer will receive a P60 from UNISON Centre by the end of May of that tax year showing the amount agreed by the branch, the net amount paid and tax deducted.

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.

2.3   Further Information

All queries relating to the Honoraria process - other than WARMS functionality - need to be directed to your region.

3. BUSINESS PROCESS FOR BRANCH HONORARIA

Below you can find steps to record Honoraria on WARMS. Honoraria guidance is also available in your WARMS Help documents – search for Processing Honoraria on WARMS.

If you need further assistance using the Honoraria functionality in WARMS, contact WARMS Support via the WARMS call logging system.

This section also contains a guide to recording Honoraria on RMS. Please note that RMS screens are available for the last time this year.

3.1 Processing Honoraria on WARMS

The ability to enter honoraria payments to WARMS has now been developed. This function can be accessed within the Branch Menu. Only WARMS users who have completed the WARMS on line training can input honoraria via WARMS.

Expand the Branch Menu and click Honoraria as highlighted below

This will populate a summary screen as shown below.

For regional policy on honoraria please contact your relevant regional officer.

The region is responsible for ensuring that all the criteria for payment of Honoraria is met before approving the payment.

To enter payments expand the Honorarium portal by clicking the Plus sign

The Year will automatically default to the current year of payment (you can change this if you wish to look at payments for a previous year).

You will need to enter the **Agreed amount** in the box highlighted below

NOTE - Agreed amount is the overall total to be paid to all activists

NOTE - The member's record must contain NI Number, Date of Birth and a valid home address where mail has not been returned. If any of these fields are missing you will get the following error message and WARMS will not allow you to save the honoraria payment until these fields are updated first.

1. Click [New ➕] to start adding the member's details
2. WARMS will allow you to type either the membership number or the surname in the membership number field.
3. Select the required person
4. The system will populate the relevant activist positions that the member holds and these will be available in the drop down list – honoraria can only be paid to one position so if a member holds more than one you need to select the eligible position.
5. Enter the amount to be paid to the member along with the sort code and account number (if the member has been paid honoraria before the system will generate the sort code and account number – please ensure these bank details are the same as the member has provided).
6. Press [Save 💾]

Please Note: If the bank details have been stored previously and are closed you will be prevented from adding them again. You will see the following error message

Branches will be liable for any payments made to an incorrect bank account where the above guidance has not been followed

Once details have been saved you will see the members listed in the grid - an example is shown below.

You will have the ability to view the details for the member by clicking the button in the required row.

If the payment hasn't already been paid (Date paid is blank) you will also have the function within Details to delete it by clicking

Delete ✕

Ideally branches will use the WARMS system to add honoraria details. However, for this year <u>only</u> RMS screens are still available. See below.

3.2 Processing Honoraria On RMS

Branches can start to fill in the HON002 form on RMS, accessed from the tree menu on the left, called: Branch Honorarium, as shown below in Fig. 2.
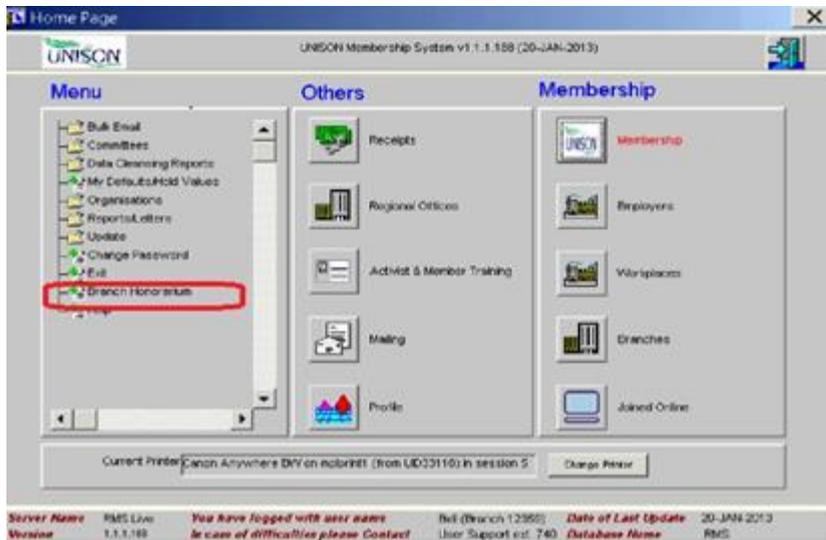
Fig. 2
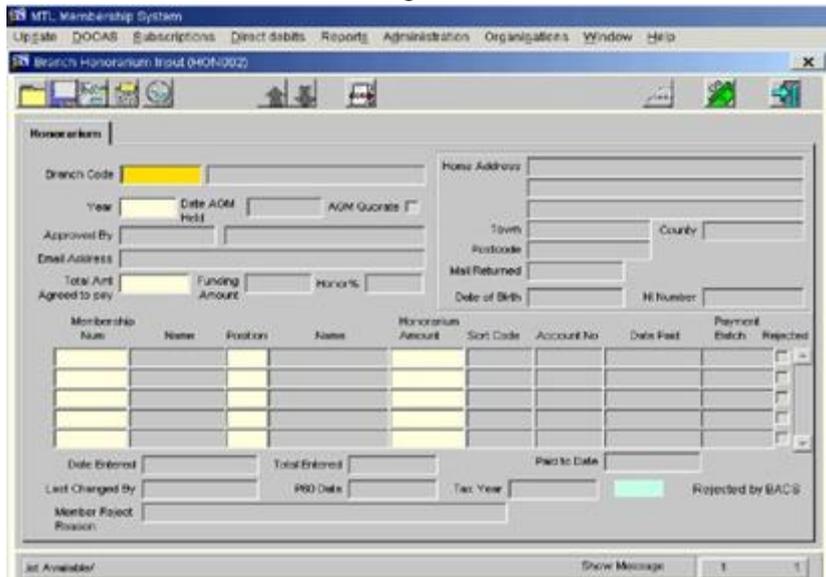
Fig.3.

To enter an honoraria payment record, enter the branch code and the current year will be automatically populated as long as the branch rules apply, i.e. the branch entered provides for honoraria payments. If not then the user will be presented with an error message, as shown in Fig. 4.

Fig. 4
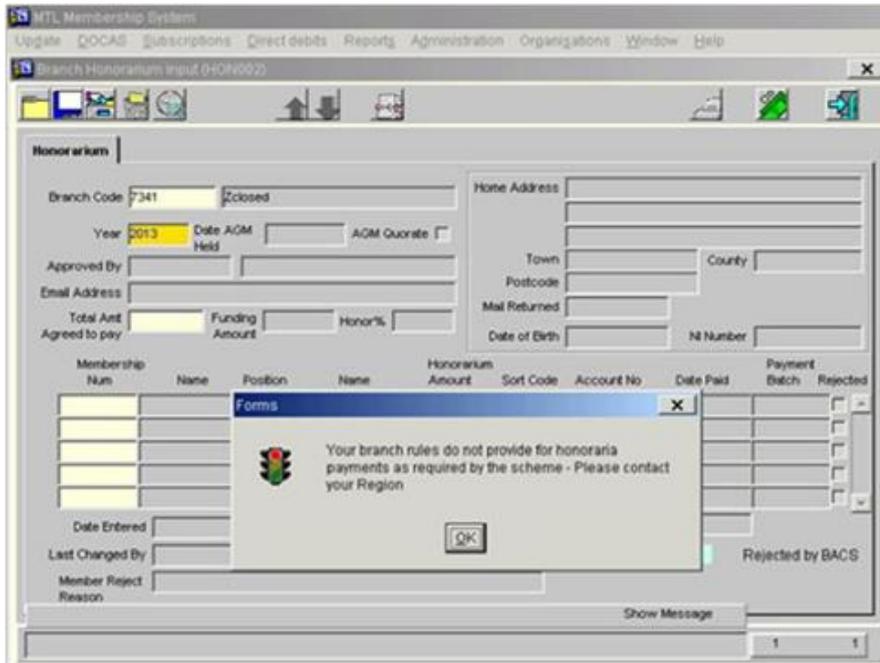
A branch user will need to add the total amount of honoraria payments in the Total Amt Agreed to Pay field before specifying an amount per member, otherwise the following error message will be displayed: **NOTE: where honoraria exceeds 10% of branch funding entitlement the text in the Honor% box will be displayed in red)**
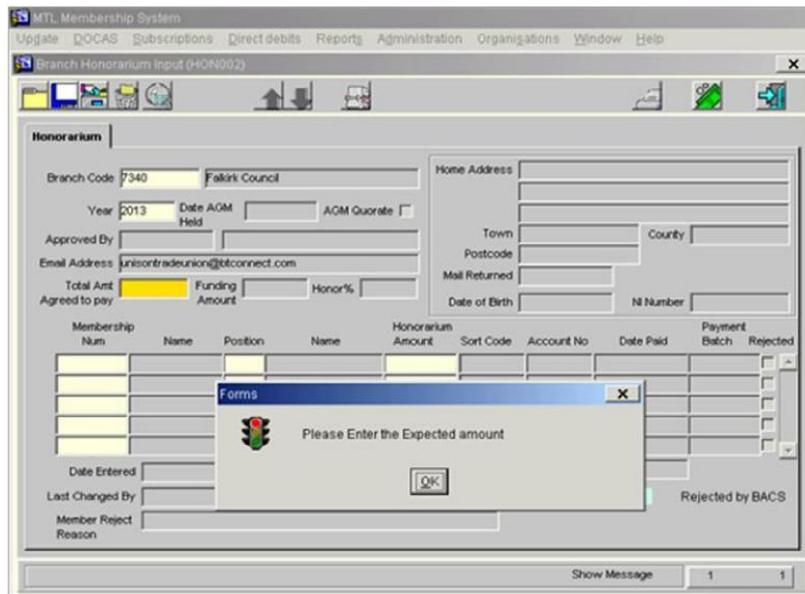
Fig. 4.1

Then enter the information for the new record by typing in the membership number and then press the tab key. The RMS record must contain a National Insurance number, Date of Birth and a home address where mail has not been returned. If any of the above pieces of information are missing you will get the following error message and will not be allowed to enter honoraria for this member until RMS has been updated.

If all required data is present on the RMS record the member name will display and if there is only one eligible position code the position will be populated. Where the member holds more than one position, then a box will appear asking the user to confirm which eligible position the honoraria applies.
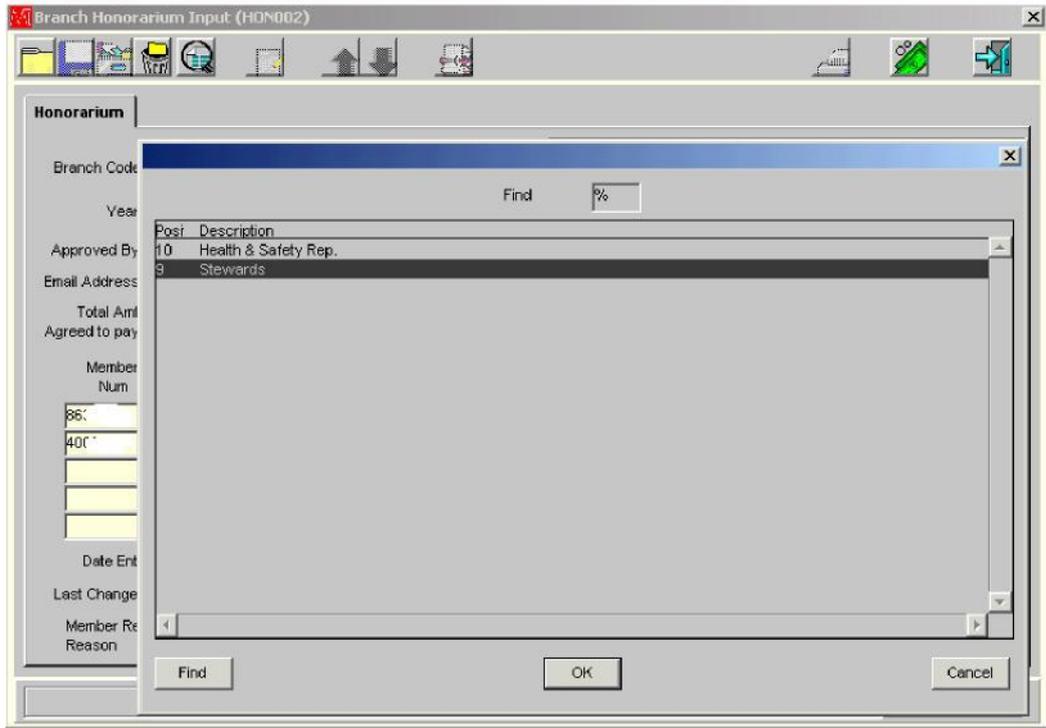
Fig.5

  Note: honoraria can only be paid for one position code

(At this point, a variety of error messages have been built into RMS and must be followed. To see possible error messages, please see Appendix A).

If there are no bank details stored on the system users will be presented with the following message:

Fig.6

If bank details have been entered previously a box will appear asking if the bank

details are correct. If they are correct, the user will need to click 'Yes' or if not, 'No'.
(By clicking 'No', the Direct Credit Bank Details screen DC840 will appear. To enter new details, add a Date Closed and then click on New Bank Details).

Note: If the bank details have been stored previously and are closed you will be prevented from adding them again. You will see the following error message.
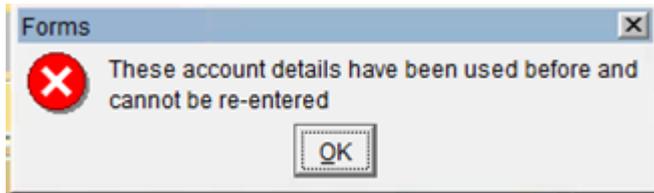
You must confirm the account details to be credited with the member before proceeding. Where you have confirmed the old bank details are to be re-used please contact RMS Operations.

Insert the bank details for the member and once the user navigates to the final field in this screen they will be prompted to save the changes, (Fig.7). Once saved the Direct Credit Bank Details screen will close and the newly saved information will display on the Branch Honoraria Input screen.
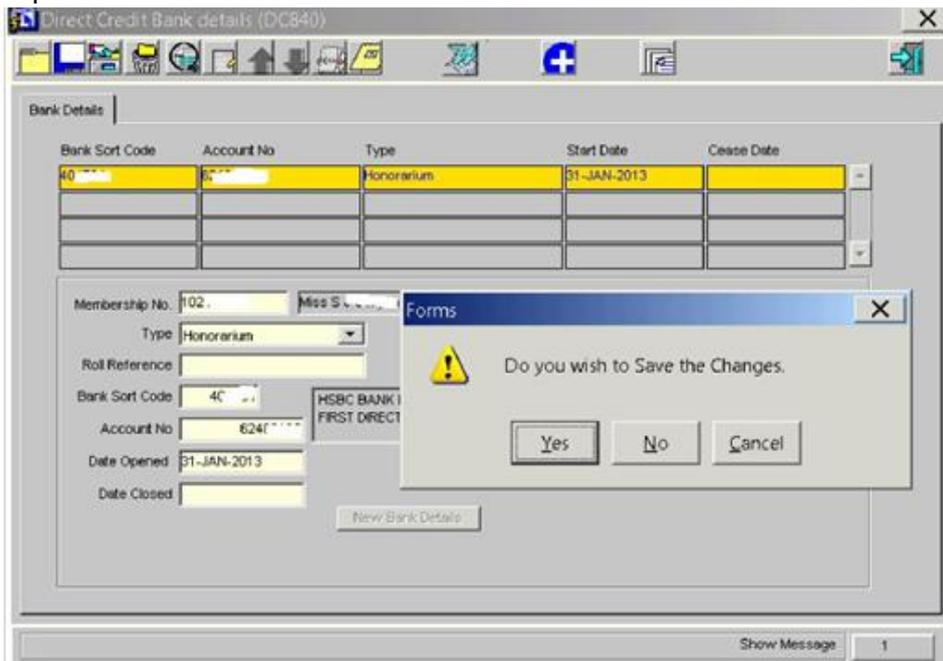
Fig.7

PLEASE ENSURE <u>CURRENT</u> BANK DETAILS ARE ENTERED FOR ALL MEMBERS TO BE PAID HONORARIA. If bank details are not entered for any member, payment of Honoraria cannot be approved by the region and therefore cannot be made to any members of the branch.
Branches will be liable for any payments made to an incorrect bank account where the above guidance has not been followed.

A new field has also been introduced for Building Society Roll References on the Direct Credit Bank Details (DC840) screen.

Once all the honoraria payment records for a branch have been entered the branch needs to then notify the region the date their AGM was held, whether it was quorate and provide a list of elected Branch Officers. Payments will then be made as per Section 4. If there are any issues about the payments to be made these will be raised directly with the branch.

PLEASE NOTE

Branches will need to make sure the total honorarium amount to be made tallies with the honorarium amounts input for each member, as shown below.

Fig. 8

Otherwise RMS will not allow the inputted information to be saved

4.   WHEN WILL HONORARIA PAYMENTS BE MADE?

Payments will be made monthly on 15th of each month. If the 15th falls on a weekend or bank holiday Honoraria will be paid on the last working day before. For 2022 claims, the first payment will be made on 15th March 2023 then 14th April and so on. Please note it takes 2-3 working days after the payment date for the payment to reach the recipients bank account.

Honoraria payments processed on 15th March will be included in the 2022/2023 tax year. In order to be paid in the 2022/2023 tax year approved submissions must be with IMPS before 3pm on 15th March 2023.

Honoraria payments will be reclaimed from monthly branch funding. UNISON will attempt to reclaim the total amount of Honoraria paid, in its entirety, from the following months branch funding. However, if the total Honoraria amount exceeds the branch funding due that month, the remaining amount owed will carry over to the following month and so on until it has been fully recovered. Branches will need to make sure they have enough funds available from their allocation to make the Honoraria payments. In other words the total amount to be paid should not be any more than the surplus the branch made for the year.

The rationale for doing this is that all branches must hold their AGM in January to March in accordance with rule and thus should be able to organise payments with IMPS by the end of April.

5.   REGIONAL ROLE IN PROCESSING BRANCH HONORARIA

5.1 Next Steps

For regional policy on honoraria please contact your relevant regional officer.

The region is responsible for ensuring that all criteria for payment of Honoraria is met before approving the payment.

When payments are made the date payment and payment batch fields will be updated in the Branch Honoraria Input screen in WARMS and RMS.

In some cases between recording details to pay and Finance making the payment, a member closes their bank account. If this is the case the rejected field will be ticked and the branch must contact the IMPS Honoraria team in Manchester at impshonoraria@unison.co.uk

6 APPENDIX A – Honoraria Error Messages

Forms ☒ 🚦 Membership Number does NOT exist. [OK]	Invalid membership number. Please note, do NOT use the backspace key to remove the membership number, but click on the waste bin icon to start over.
Forms ☒ 🚦 Member is not in Honorarium Branch - Please refer to Region [OK]	Member is not in an Honorarium Branch, i.e. the branch does not currently make honoraria payments. Branch users will need to contact their region.
Forms ☒ 🚦 Member has a status code of Deceased and cannot be paid honorarium [OK]	If a branch user believes the member is not deceased, then amend the member's record. This should only be done if absolutely sure the member has been wrongly categorised
Forms ☒ 🚦 Member was lapsed on 30-APR-06 and cannot be paid honorarium [OK]	If a branch user believes the member should not be lapsed, then update the member's record.
Forms ☒ ⚠️ Member was lapsed on 01-JUN-11. Do you wish to make payment Y/N? [Yes] [No]	Branch users can still request payment to be made if the member was lapsed part way through the honorarium year.

Forms ✕ Honoraria can only be paid to activists. This member does not hold an activist position on RMS, Please contact your region. OK	Honoraria can only be paid to activists. If the member was an activist or officer during the relevant honoraria year. However if the branch believes the member is eligible, then the branch will need to contact their region.
Forms ✕ Values are required for Date of Birth, National Insurance Number and a valid address is required. Please amend member info using MB100 OK	Please update the member's date of birth and/or NI Number and/or Address and then try inputting again
Forms ✕ Not a valid positions for member. OK	Invalid activist position for an honorarium payment.
Forms ✕ Duplicate entries entered. Please re-enter a different position code or clear the record. OK	You cannot enter the same member and same position more than once.
Forms ✕ Duplicate member id entered. Please enter a different member id or clear the record. OK	You cannot enter more than one position code for the same member.
Forms ✕ The total amount agreed to pay does not match with the total entered. OK	The total amount entered does not match the sum of payments to members.

Forms ☒ 🚦 Sort Code and Account Number are either not vaild or not suitable for payment [OK]	If the account number or sort code entered are invalid, this error message will be displayed and you will not be able to save the bank details.

6. APPENDIX B Payment of Honoraria

Payment of Honoraria				
	Approval	Rejected	Payment	Branch funding
Regions	Payment — Is Honoraria to pay — No	Yes		
Branches	Notification — STOP — Notification			
Regional Committee		Referral — Is Honoraria to pay — Yes		
IMPS		RMS/WARMS — PAYMENT EXTRACT — Payment	Honoraria File — Saved to — Payments	
Finance		STOP	BACS PAYMENT AREA	

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Honoraria Q and A

Summary

Under HMRC rules honoraria is taxable and we were instructed that we could no longer continue under previous dispensations (circa 2008). Non compliance is not an option and failure to comply will expose the union to very costly fines and penalties.

See also HMRC - http://www.hmrc.gov.uk/manuals/nimmanual/nim02205.htm

The new Honoraria scheme became effective on 1st January 2009. In operation it applies to officers that hold office in the administrative year 1st January to 31 December each year that are nominated to receive an honorarium by their branch and approved at the annual meeting of the branch as set out in rule G3.2 (between January and March.)

Question – What does this mean for branches?

If a branch wants to pay honoraria to its officers that held office in the Honoraria year it must adhere to the provisions of the scheme as agreed with HMRC.

Question – Is there any right of appeal against HMRC decision?

No, nor can your branch vary any of the conditions required.

Question – what do branches have to do?

Firstly read and understand the scheme. Input the branch honoraria request onto the WARMS System while adhering to the Branch Honoraria Guidance notes issued each January. If further assistance is required please contact the Region or WARMS Support.

Question – What happens after a branch has submitted their honoraria request?

Region will confirm that the request meets UNISON Honoraria criteria. If the request does not comply the region should request that payments are withheld pending investigation or until such a time that UNISON Honoraria criteria has been met.

If the branch request meets UNISON Honoraria criteria and all relevant forms have been completed the requests will be paid in accordance with the dates advised in the Honoraria guidance notes issued each January and should arrive into the member's designated bank accounts three to four working days thereafter.

Question – What about payments branches may have made in previous years?

The agreement reached between UNISON and HMRC covers any Income Tax and Class 1 National Insurance Contributions that was due on any payments declared on branch returns and made for officer posts held in all years up to and including 2008.

Question – What if a branch is contacted by their local tax office?

Many local offices will be completely unaware of this arrangement and may request that a return is submitted (or continue submit) to them. If this is the case please write as,

"All matters in respect of 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."

Question – What if my branch wants to return details to their local tax office?

The only way we can be certain that all payments have had tax deducted is in the way prescribed and our agreement is for us to return this centrally. Therefore branches must adhere to the scheme.

Question – What should the region do if it is unable to deal with a branch's enquiry?

Email question to R.Operations@unison.co.uk or WARMS Support where assistance with using the WARMS system is required   .

Question –Why can I not continue to declare honoraria on my self-assessment?

Please also read the next answer.

The scheme is the only way we can be certain that all payments made to all officers have been declared and the correct tax applied and paid to HMRC.

Question – What should I do if I receive a self-assessment form?

It has always been an individual officer's responsibility to disclose honoraria payments to HMRC. UNISON has now agreed with HMRC to deal with all relevant matters in respect of honoraria and make the necessary returns. As such, should you receive a self assessment tax return from HMRC you should enter the following in the "Any other information" box on the form;

I have received an honorarium from UNISON. Following an agreement with HMRC all tax matters in connection with this payment have been dealt with directly by UNISON. [Relevant tax office details]

You do not need to send in your P60, but should retain this form as HMRC might ask to see it should they make enquiries regarding your tax return.

Question – What if I am a higher rate or lower tax payer.

If you do not complete a tax return you should only request a form if you think you are not liable to tax, and wish to reclaim any overpaid tax, or you are liable to tax at the higher rate as tax is only deducted from the honoraria payment at basic rate. You can now register for self-assessment by following the "register for self-assessment on-line" links @ http://www.hmrc.gov.uk/sa/file-online.html.