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| **Overview** |

All human subjects research projects that offer compensation for participation must comply with Purdue University Business Services procedures as well as Institutional Review Board (IRB) review and approval conducted to ensure the compensation amount does not exert undue influence on a subject’s decision to participate. Plans for compensation must be clearly provided within the body of an IRB application.

Compensation for participation in research is not a benefit to the subject. Compensation is primarily a means to offset inconvenience, travel expenses and/or lost revenue due to participation in a research project. However, it may be structured to serve as a recruitment incentive.

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| **Considerations for Common Forms of Participant Compensation** |

The Human Research Protection Program has developed the following procedures to assist researchers in understanding the processes required to procure compensation for human subjects participating in research.

**FINANCIAL COMPENSATION**

In order to comply with Internal Revenue Service (IRS) regulations, Purdue University must report payments to human subjects above a taxable threshold paid to an individual during a calendar year. This total is from all payments, not just payments associated with an individual research project. To comply this IRS regulation, business offices must report on individuals paid for their participation in a research project. This covers payment via check, cash, cash equivalents, coupons, giveaways, food and drawings.

As you develop your IRB application, please consult your department’s business office for assistance in understanding the rules associated with these payment methods. This means that although a protocol is approved to compensate participants for single payment amounts up to and including $100, payments still may be subject to withholding and reporting rules that could require tax withholding. A participant could receive a lower post-tax rate following deduction.

Information on this topic can be found at the Business Services website. <https://www.purdue.edu/hr/buspur/nonemppay/humsub.php>

**EXTRA CREDIT AS COMPENSATION**

Extra course credit may be used as a means of compensation for participation as a research subject under certain conditions as listed below.

Extra credit should be no more than 3% of the course grade in order to avoid undue influence. The researcher will discuss this with the course instructor; however, the final decision as to compensation remains with the course instructor. If the researcher is also the course instructor, then the 3% rule applies for that course without exception. In classes taught by graduate students, adjunct faculty or lecturers, the supervising faculty member, in concert with the teaching assistant or instructor, must approve this option for the course. In classes where there is no supervising faculty member, the department head, in concert with the instructor, must approve this option for the course. The IRB may request a copy of the approval from the instructor.

Extra credit options must always include an opportunity to earn the same amount of extra credit in a way that is comparable in time and effort with participation in the study. It is the researcher’s responsibility to inform the course instructor. Researchers must describe the procedures that will be used to ensure the extra credit is awarded after the regular course grades have been computed.

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| **Information to Include in the IRB** **Application** |

The IRB reviews both the amount of compensation proposed and the method and timing of disbursement to assure that neither are coercive or present undue influence

The IRB application must include the following:

* The amount, method and terms of compensation.
* The amount of compensation must be reasonable and commensurate to the time and effort requested of the subject.
* If using a drawing, a verifiable method for determining winners must be established and referenced in the IRB application. Additionally, in both the IRB application and the informed consent document, there should be a description of the prize, the odds of winning, and any limitations or restrictions to winning, as well as the date of payoff. Please consult the information found here to comply with associated tax requirements. <https://www.purdue.edu/hr/buspur/nonemppay/humsub.php>
* For research studies requiring multiple data collections from an individual subject, credit for payment should accrue as the study progresses and not be contingent upon the subject completing the entire study. Unless it creates undue inconvenience or a coercive practice, payment to subjects who withdraw from the study may be made at the time they would have completed the study (or completed a phase of the study) had they not withdrawn.
* While the entire payment should not be contingent upon completion of the entire study, payment of a small proportion as an incentive for completion of the study is acceptable providing that such incentive is not coercive. This amount should be reasonable and not so large as to unduly induce subjects to stay in the study when they would otherwise have withdrawn.
* If the study is such that the investigator might withdraw a subject from the study (for example, not adhering to the research protocol), a description of compensation should be included;
* Information concerning payment, including the amount, method, terms and schedule should be set forth in the informed consent document.