

Research & Enterprise

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Consultancy income waiver policy

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1. Purpose of document and applicability

- 1.1 This document provides guidance on the process through which staff may waive their right to receive income in favour of the College.
- 1.2 It is important for correct treatment of income tax and national insurance that the defined procedures are followed. Failure to do so may result in complications involving HMRC (Her Majesty's Revenue and Customs, the UK Tax Authority), for both the College and individuals concerned. Details of HMRC guidance can be found at: <http://www.hmrc.gov.uk/manuals/eimanual/EIM42705.htm>
- 1.3 As a general rule, payment of earnings due to an employee (including revenue generated from consultancy) are subject to income tax and national insurance contributions. Earnings may be in cash or non-cash form (for which an equivalent value is computed) and need not actually have been paid over to become assessable for tax purposes.

2. Process for waiving income

Should a member of staff wish to waive their rights to receive income, the following points apply:

- i. The waiver can only be made through the **Deed of Waiver of Income** (see Appendix A).
- ii. The waiver must be made in respect of all of the revenues associated with a contract and cannot be limited to a particular stage of a contract.
- iii. All waivers need to be completed with respect to future income entitlements, they cannot be made retrospectively. It is crucial that the Deed of Waiver of Income is completed, signed and returned to Research and Enterprise before the consultancy is undertaken.

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- iv. The waiver is absolute and irrevocable and cannot be varied at a later date.
- v. Waived funds will be used by the College for supporting or facilitating research activities. The employee cannot insist that the sums waived are used in a particular fashion.
- vi. Annual or renewable waivers are invalid.
- vii. An income waiver means that the right to receive that income is given up and the College will retain all future income that would otherwise have been due to the individual. This right is not transferable and cannot be used as a means of transferring income to other individuals and organisations.

Appendix A
Deed of Waiver of Income

To :

Research & Enterprise
 Department
 Royal Holloway, University of London

By this Deed, I waive absolutely and irrevocably my entitlement to all and any remuneration as described below:-

- i. Contract reference**

- ii. Period that the income relates to**

- iii. Total value of the income that you are waiving**

- iv. I know that, having waived entitlement to this income, I have no rights over its future use**

Signed and delivered as a deed by	(signature of individual)
Full name of individual signing	
In the presence of	(signature of witness)
Full name and job title of witness	
Dated	

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