Compensation of Subjects

The federal regulations require that the Institutional Review Board (IRB) review and approve the methods used to recruit participants, including compensation, to ensure that they do not include coercion or undue influence. However, the regulations do not set specific limits on payment of research subjects or offer definitive information to guide the IRB in their review.

It is not necessary to compensate subjects who participate in research. However, paying research subjects in exchange for their participation is a common and, in general, acceptable practice. Payment for participation should be just and fair (e.g. current market value).

The Food and Drug Administration (FDA) requires prorating payments based on duration of participation in the research so that subjects are able to receive compensation even if they don’t complete the entire study. The FDA also indicates that payment to research subjects should be considered an incentive to participate rather than a benefit. Therefore, the IRB does not consider compensation in their assessment of the risk benefit analysis for the proposed research.

NOTE: If using Raffles as a form of compensation, please see the guidance document on 'Raffles' to be sure the raffle complies with Arizona state law.

Requirements:

The IRB requires the amount of compensation provided to participants to be described in the IRB application. The amount of compensation must also be communicated to participants during the consent process. Compensation may be listed in recruitment materials so long as it is not overly emphasized.

Proposals to the IRB regarding subject compensation should indicate and justify monetary and non-monetary compensation. A description and justification of non-payment, partial payment or proration must also be included.

For projects that involve extra credit to students, an alternative form of extra credit must be provided that is equitable in terms of time and resources for students to complete if they choose not to participate in the proposed research project.

As noted above, compensation should not be described as a benefit to participants. If applicable, a clear description of how prorating will be handled must be included.
Compensation of Subjects

IRS Reporting requirements:

Payment to subjects for research participation is subject to IRS reporting requirements. Tax information must be reported for subject payments over $600 per year, while payments of less than or equal to $600 per year to subjects are exempt from IRS 1099 reporting requirements. The $600 threshold encompasses the cumulative amount a subject receives from all NAU activities in a single calendar year.

It is the responsibility of the principal investigator to obtain subjects’ names, social security numbers (SSN), addresses, and payment amounts, and include that information as an attachment to the check request for reimbursement of the subject pay. This information should be kept separately from the study documents and in a secure location. No other information about the study should appear with the reimbursement documentation.

If the research project is a confidential study, it is not necessary to identify the human subjects by name or SSN. However, an NIH Certificate of Confidentiality must be provided along with the check request, and the total payment to any individual participating in a confidential study must be less than $600 in a calendar year.