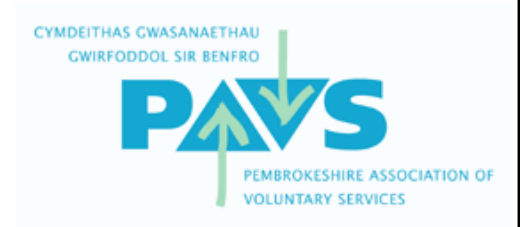


# Pembrokeshire Association of Voluntary Services

Your local county voluntary council

## 4. Volunteers

### 4.12 Volunteers and welfare benefits



The rules for claiming benefits while volunteering are relatively straightforward but are often confused by poorly informed benefits advisers. The following information is intended as an overview with this advice:

- Develop a good relationship with local benefits advisers so they understand the nature of your work.
- Raise the issue of benefits with current and new volunteers.
- Encourage volunteers to raise the issue with their benefits adviser.
- Be aware of the possible effects of expenses payments on benefits.
- Seek further guidance from the local volunteer centre or benefits adviser.

#### **Definition of voluntary work**

All benefits rulings agree that voluntary work is work for a not-for-profit organisation, or work for someone who is not a member of your family, where only reasonable expenses are paid.

#### **Jobseeker's Allowance (JSA)**

In order to receive this benefit, volunteers must be available for work and actively seeking work.

There are no limits on the hours a person can volunteer as long as:

- They are still looking for work as agreed with their employment adviser.
- They can be contacted quickly if the chance of a job comes up and they are able to go for an interview within 48 hours and take up an offer of work within one week.
- The volunteer does not receive any payment other than for out-of-pocket expenses such as travel fares or special clothing needed for the voluntary work.

Volunteers must tell their employment adviser if they do any voluntary work. They must also inform them of any payments e.g. honoraria or payments in kind such as meal vouchers. It can be useful for volunteers to have a letter from their volunteer organisation outlining the expenses or any other payments they receive, the type of work they are doing and a method of contacting them when they are volunteering with the organisation. A model letter is attached.

#### **Income Support**

Volunteering should not affect someone's Income Support as long as they are not receiving any money other than reimbursement of expenses.

## **Incapacity benefit**

People on Incapacity Benefit can do as much voluntary work as they like and benefits will not be affected as long as they do not receive any pay other than expenses. People often worry that starting to volunteer will automatically trigger an investigation into their need to claim Incapacity Benefit, but in fact this very rarely happens. Occasionally there is also some confusion about volunteering and 'permitted work' (similar to the old 'therapeutic earnings'). The permitted work rule applies only to paid work and should not affect volunteers. Claimants should be entitled to volunteer without having to have it recognised as permitted work.

Volunteers should inform their benefits advisers if they do any voluntary work and must also inform them of any payments received in the course of volunteering.

## **Disability Living Allowance (DLA)**

DLA is an allowance paid in acknowledgement of the fact that life for someone with a disability may be more expensive – for instance, someone with mobility problems may be reliant on taxis. Volunteering should not affect whether an individual receives this benefit or not.

## **Problems**

Volunteers may experience problems with their local Employment Service or Benefits Agency offices. This is usually because the benefits rules are subject to interpretation by local staff in these offices.

If you think that a volunteer's case has not been dealt with fairly or they are experiencing problems with benefits, please contact your local volunteer centre or WCVA Helpdesk on 0800 2888 329.

## **Volunteer expenses and benefits**

It is recognised good practice to offer to reimburse volunteers for out-of-pocket expenses. If volunteer managers and volunteers follow the guidelines below, expenses payments should not affect benefits claims nor have other legal or tax implications.

In the UK the HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP) recognise the following types of expenses as being legitimate:

- travel to and from the place where the volunteering activity takes place
- travel during the course of volunteering
- meals taken during the course of volunteering
- postage and telephone costs
- care of dependants during the period of voluntary work
- the cost of protective or specialised clothing

The HMRC and DWP are happy as long as the expenses paid to the volunteer are the actual costs incurred and are at a 'reasonable' rate, e.g. mileage rates must be within accepted HMRC limits.

## Current HMRC approved mileage rates 2008-2009 are:

Cars and vans	40p per mile for the first 10,000 miles, 25p per mile over 10,000.
Motorcycles	24p per mile.
Bicycles	20p per mile.

In order to reimburse the true costs incurred by volunteers during their volunteering, the organisation must have proof of the costs. This proof can be in the form of receipts for purchases or for payment for services, public transport tickets or mileage records. It is the responsibility of the volunteer to provide accurate information to the organisation when making a claim for expenses. Making false claims is unacceptable and may result in the volunteer being asked to leave and possible criminal charges for theft (the organisation needs to have a policy on this, outlining what will happen if a volunteer is found to be making fraudulent expenses claims).

Volunteers should never be given one-off, fixed rate payments to cover their expenses. Not only will this jeopardise any benefits payments they receive, but will have legal and tax implications for both the volunteer and the organisation. Make sure your expenses policies and procedures are in place and that everyone understands them so that you can reinforce the 'no proof, no payment' idea. If volunteers have difficulties in keeping records or completing forms, offer help with this.

The Social Security Amendment (Volunteers) Regulations 2001 means that it is possible to pay expenses in advance.

For example, if a volunteer's travel to and from their place of work costs £20 per month in bus fares, it is now possible to pay the volunteer £20 at the beginning of the month so that they are not left out of pocket by having to claim those expenses at a later date. This new rule does not alter the fact that only legitimate expenses actually incurred or to be incurred can be reimbursed without affecting the volunteer's benefits position. Therefore, it is still the case that any payments made in excess of that which were actually spent, or will be spent by the volunteer, may be treated as earnings and will affect the volunteer's benefit entitlement. The same proof, for example receipts, will also be needed to show how the money was spent.

The volunteer's local Benefits Office is likely to request evidence of the amount and nature of the expenses to be incurred and for which payment is to be made in advance. It is therefore a good idea for organisations making advance payments to have a system in place for providing that information for the volunteer to pass on.

## Jobcentre Plus Letter Template

N.I Number: _____
Name _____
Address _____
_____
_____

Date as Postmark

Dear Sir/madam

Re: Notification of commencement of volunteering

I am writing to inform you that I wish to start volunteering on

\_\_\_\_\_ with \_\_\_\_\_

Which is a charitable/not for profit organisation.

The address of the volunteering placement where I will be based is

\_\_\_\_\_ and the volunteer

organiser who will be supervising me is \_\_\_\_\_

The volunteering opportunity that I will be carrying out is \_\_\_\_\_

\_\_\_\_\_ and the duties undertaken will be \_\_\_\_\_

The volunteering hours per week will be \_\_\_\_\_

and I will/will not be paid/receipted actual out of pocket expenses incurred whilst volunteering.

The volunteering duties that I undertake would not be carried out by a paid member of staff at this organisation if I was unable and I am not volunteering in preference to paid work.

Signed \_\_\_\_\_ Date \_\_\_\_\_

## Further information

The Department for Work and Pensions

Tel: 020 7712 2171

[www.dwp.gov.uk](http://www.dwp.gov.uk)

Job Centre Plus

“*Volunteering whilst receiving benefits*” publication

[www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)

HM Revenue and Customs

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### For further information contact

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Tel: 0800 2888 329

[www.wcva.org.uk](http://www.wcva.org.uk)