

LOC Payments-Guidance to committee members

Honoraria

Sole traders

The honoraria should probably be paid into the business account, to declare in the annual accounts as income for tax assessment. However, it could also be paid into a personal account and declared as income on the personal annual tax return.

Limited companies

It would be most tax efficient for the honoraria to be paid into the business account. Therefore, the payment would become income of the company and could be counted against corporation tax liabilities, rather than personal tax.

Partnerships

The honoraria could be paid into the business account, to declare in the annual accounts as income for tax purposes. However, in a true partnership, it may be better for the payment to be paid into the committee member's personal account and declared on the annual personal tax form as income.

Employed practitioners

Employed practitioners must declare any honoraria as income on the annual personal tax form.

Expenses

All LOC expenses should be paid out of private not business accounts and claimed back from the treasurer using the standard form. Please note that if you are VAT registered you may not reclaim any VAT from expenses which are directly reimbursed.

These notes are intended as guidance only. If you are in any doubt, I suggest contacting your accountant for more specific advice.

All honoraria and expenses should be claimed using the Excel claim form available on the Committee section of the website and submitted to the Treasurer. You can submit this as a quarterly claim or as intermittent claims. Each separate claim should be submitted using the relevant worksheet.

Bob Wilkes
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