Incentives and Compensation in Human Subjects Research

NC State University IRB Guidance

The involvement of humans in research is critically important for developing effective, useful, and meaningful solutions to many problems. Given that people have many competing demands on their time, asking someone to add to their responsibilities by participating in research can be difficult. Offering incentives or compensation can be a way to attract and retain a diverse group of participants who otherwise could not make the time to participate in research.

There are, however, practical, legal, and ethical challenges associated with compensating participants. Compensating research participants in exchange for their participation in a study is a common and, broadly speaking, acceptable practice. The guidance that follows outlines some of the key challenges that the NC State University IRB has identified with incentives and compensation for human subjects' research participants and provides guidance on how to navigate those issues to be able to compensate research participants.

Frameworks of Understanding

There are several frameworks that shape how the NC State University IRB assesses incentives and compensation in human subjects' research. These include ethical considerations, legal and regulatory requirements, sponsor requirements or contractual obligations, and university policies, standards, and processes.

Ethical Considerations

The first framework that guides the IRB's understanding of compensation and incentives is an ethical one, The Belmont Report (1979) (opens in a new window) identified three ethical principles for human subjects' research: respect for persons, justice, and beneficence. When considering incentives and compensation, the Belmont principles compel researchers to transparently communicate about compensation amounts and processes (respect for persons); ensure that incentives and compensation are distributed in a manner that respects the participant's investment in the study and the risks of the research to them (justice); and choose an amount or an incentive that is not coercive in nature by its appeal to participants and that is equitable among participants (justice and beneficence).

The main ethical challenges in offering research compensation or incentives are that they may be coercive—that is, they may unduly induce a person to participate in research. This is particularly concerning if the compensation amount is perceived by subjects to be large, if the incentive is extremely desirable to participants, or if the participant (or their parent/guardian) perceives an implicit or overt threat if they or their child declines to participate in the research.

One of the primary responsibilities of an IRB is to ensure that a participant's decision to be in a study will be truly voluntary. Per 45.CFR.46.116 (opens in a new window), "An investigator shall seek informed consent only under circumstances that…minimize the possibility of coercion or undue influence." Compensation and incentives can be coercive or offer undue inducement to participants.

- Undue Influence
    - Offers that are too attractive may blind prospective participants to the risks of their participation or it can impair their ability to exercise proper judgement regarding if participating in the research is beneficial to them.
    - Offers that are too attractive may prompt participants to lie or conceal information that, if known, would disqualify them from enrolling (or continuing) as participants in a research study.

- Coercion
    - An overt or implicit threat of harm or negative consequence that is intentionally presented by one person to another in order to obtain compliance. For example, an instructor might tell prospective subjects in a class that they will lose grade points if they do not participate in the research. This would be coercive.
    - Compensation can create potentially coercive situations, as when a third

party is paid for another subject's participation, and that third party can exert coercion over the subject in order to obtain payment. For example, payment to a parent for a child's participation or incentives paid to a doctor or nurse for research recruitment could create coercion.

These examples illustrate why the NC State University IRB must know exactly what the compensation amount or incentive offered to participants is and what the participant must do to receive the compensation or incentive. The IRB's review of compensation or incentives includes but is not limited to these considerations:

- Are all conditions related to compensation and incentives keeping with standards for voluntary and informed consent?
- Are the incentives offered reasonable based upon the complexities and inconveniences of the study and the particular population?
- What information is required (or shared) in order for participants to receive compensation and does that increase the risks?
- Is the incentive/compensation equitable across all participants and if no, is it just?

Legal, Regulatory, and Contractual Requirements

The second framework for the IRB's approach to research incentives and compensation is shaped by *applicable* contractual obligations, and federal and state laws, including:

- Human subjects research regulations (45 CFR 46 – opens in a new window; 21 CFR Parts 50 and 56 – opens in a new window) which require that information about compensation is included in consent materials and that the IRB reviews all compensation amounts and processes.

- Compensation for Department of Defense affiliated research studies and personnel (Department of Defense Instruction (DoDI) 3216.02 – PDF file) limits who can be compensated in research, the amount that can be offered, and what information must be included in consent materials.

- Federal Tax Requirements (Title 26 of the United States Code (26 USC) – opens in a new window) makes all research compensation taxable events that the participant must report as income via a 1099 form if the amount exceeds $2000 in a tax year.

- State Tax Requirements For information reporting, the State of North Carolina conforms to Federal law for reporting and maintains the same threshold limits. If payments to an individual are $2,000 or more, they will receive a 1099-MISC for research incentive payments. N.C. Gen. Stat § 105-163.1 et seq imposes a separate 4% withholding on all non-North Carolinian citizens when certain services are performed in North Carolina. While research incentives do not meet this requirement, a provision in the law states that any services provided by an ITIN holder is taxable at 4%.

- Federally funded research requires budget justification and itemization, which may require sharing personally identifiable participant information in order to compensate research participants.
  - Researchers, not the NC State IRB office, are expected to know what participant information the awarded grant requires and to include that information in the IRB protocol and as part of participant consent or parent/guardian permission processes.
  - There are also regulatory and compliance requirements that may be addressed when collecting participant personally identifiable information in order to process compensation. Safeguarding the information appropriately introduces privacy and information security risk.
    - For example: Department of Justice Rule on Bulk Sensitive Data Collection, state specific privacy laws, GDPR and UK privacy laws, FERPA, federal agency and department specific regulatory requirements, the Common Rule.

University-Specific Policies, Regulations, and Rules
All human subjects research protocols reviewed and approved by the NC State University IRB office are expected to follow all applicable policies, regulations, and rules of the University, UNC System, and the State of North Carolina. There are a few that specifically focus on issues related to incentives and compensation, which researchers should review. They are:

- Non-Salary and Deferred Compensation (5.15.03) (opens in a new window) states that "Incentive payments provided to employees for participating in an approved research study conducted by NC State are authorized by this policy. Payments of cash or equivalent (such as gift certificates or cards with a specific face value) must be included as compensation through payroll and are taxable."

- Payments: Documentation Required for Expenditures (07.05.01) (opens in a new window) – NC State University regulation on what documentation is required when spending University funds, which can include research funding.

- NC State University Payables Guide (opens in a new window) - This provides guidance on accounts payable and disbursements. This guide covers all disbursements made in the financial system accounts payable modules including incentives for participants (refer to page 101 of the guide).
  - This means that name, remittance address, signature, or student ID is needed for ANY amount unless virtual or the information is unknown.

Researchers must understand all of their responsibilities regarding compliance with these policies, regulations, and rules. If clarity is needed, the research team is expected to consult with their funder/sponsor, college research office, and/or the NC State University Controller's Office (opens in a new window) as appropriate. The NC State University IRB cannot advise on these matters as they are not within scope of the IRB's functions. Once the researcher has the information, the IRB can help the researcher determine how to communicate the expectations to the participants and to the IRB in the application itself.

College and Departmental Standards and Processes

Each college's research and finance offices have their own standard operating procedures for processing research incentives and compensation. NC State University is a public institution. Any information given to an accounting office, as with University records in general, can be subject to the NC Public Records Law and in some cases the Freedom of Information Act (FOIA). While the IRB office does not regulate the processes of the relevant college offices, the IRB does have jurisdiction over "what information is given to research participants to ensure there is informed consent regarding data sharing" for the purposes of research compensation and incentives. It is important that the colleges' processes are communicated to the IRB, so that the risks of the information associated with that process are properly assessed and communicated to participants. While each college may have a different process, the IRB may restrict the data about a participant that is shared with them. This determination will be made at the time of IRB approval.

Who Is Responsible for What?

To compensate research participants for their time and effort, many people will process participants' information. Role clarity therefore matters.

Role	Contact Info	Responsibility
The Researcher		Responsible for designing responsible and voluntary research with human subjects, communicating the research design and compensation information, including requirements to the IRB through the IRB protocol and supplemental documents, ensuring participants understand the compensation and incentive schema, and complying with all applicable University policies regarding disbursement of check, cash, gift card and other payment mechanisms. The researcher's responsibility includes knowledge of the information required to process compensation for research participants and of the college's payment process. Researchers will ensure that the IRB office is aware of the needed information at protocol submission
The IRB Office	IRB-Coordinator-Pre@ncsu.edu	Responsible for reviewing and approving compensation and incentives related to human subjects research protocols. Specifically, the IRB ensures that proposed compensation or incentive is neither coercive nor unduly influential. Additionally, the IRB office ensures that all necessary information regarding compensation is provided to participants, including what personal information is needed to disburse compensation, how their personal information is managed and shared, and if the identifiable information for compensation is connected to the research data.
Department or College Research Office	https://research.ncsu.edu/administration/contact/college-unit-research-contacts/	Responsible for ensuring funding is available and allowable on the funding source requested. The research office can direct the researcher to the appropriate processing guidance for their unit, department, or college.

Controller's Office	university-controller@ncsu.edu	Responsible for ensuring the integrity of the university's financial system data, compliance requirements with all applicable laws and policies and providing complete, timely reporting to all interested parties.
The Office of Post Award Financial Services	opafshelpdesk@ncsu.edu	Responsible for project establishment in the financial system, invoicing/drawing funds, reporting financial data as required to and by outside parties, ensuring financial compliance and auditing, managing effort reporting compliance, and working with units on project closeout.

What the IRB Needs to Know from the IRB Protocol
For the NC State University IRB to issue a determination regarding incentives and payments in a research study, the research protocol submitted to the IRB will ask about the following information:

- Funding Source
- Who the participants will be (not their individual identifying info, but their group)
- What the compensation or incentives are (specific details are required)
    - Cash, physical gift card, virtual gift card, items, course credit, ____
- What information is required from participants in order to compensate participants. This includes requirements from the "Payables Guide" or the applicable College Research Office
    - Most likely required: name, remittance address, employee number, student ID number, signature, survey panel ID.
- How the information from participants regarding compensation is collected
    - Directly on the survey or other instrument
    - Collected separately from the data entirely on a different form or via a link to a different survey.
- The amount of compensation and the conditions under which the compensation or incentive will be provided to participants, such as:
    - Scaled compensation (e.g., $10 for a survey, $20 for an audio- and video-recorded interview, and $20 for member-checking activities), or
    - Pro-rated compensation (e.g., $15 for each hour spent in the research lab, with payment calculated in 20-minute increments and fractions will be rounded up to the nearest time interval for compensation processes or what the pro-rated compensation is for a participant who has been debriefed about deception in a study and has withdrawn their consent for the researcher to use their data for research), or

- Conditional compensation that is based on participant behavior (e.g., passing attention checks) or on the time spent doing the research activities which might, for one participant group, be more extensive than the other participant group(s) in the study.
  - It is permissible to have conditional compensation in a research study but participants should know that the compensation is conditional and what conditions they must meet in order to receive the compensation, or
- Tailored compensation that is based on the participant group context, for example, course credit for a student participant group and monetary compensation for the educator participant group in the same research study.
  - It is permissible to have different compensation types and amounts for different participants in a study but the differences must be justified and appropriate to the participants in the study.

Whatever the compensation or incentive is, the NC State University IRB expects that the research team will transparently communicate with participants about what the compensation/incentive is, how to get it, what information is needed in order to process it, and what will disqualify a participant from receiving the research compensation or incentive.

Compensation Types

Compensation and incentives take many forms – listed below are the most common compensation types in human subjects' research protocols done by NC State University researchers.

Food and drink

Food and drink incentives are a common way to encourage participation in research. When food and drink will be an incentive or compensation, the IRB application must disclose what the food and drink is that participants will be given, in detail:

- How the item will be prepared and served to participants
- If the item is pre-packaged or not and by whom
- If the item was produced in a commercial kitchen that complies with current good manufacturing practices (cGMP) established by the FDA or not
- If the item was/will be handled in accordance with FDA standards
- If label information will be provided to participants

Course or class credit

Offering credit for research participation is common in educational research studies and in some behavioral research, particularly psychology studies that utilize the SONA participant pool at NC State. If credit will be offered to participants, the NC State IRB expects that the following information is included in the IRB application and supporting documentation:

- How much credit will be offered for research participation
- If the credit will be pro-rated or not and if so, under what circumstances
- How the decision of whether or not credit will be awarded to the participants will occur and who will make that decision.
    - Consider how to handle the awarding of credit in a manner that reduces the potential for undue influence especially if the researcher is also the educator/supervisor/advisor/mentor of the potential participants. Some prior solutions have been to
        - have someone else who is not the students' educator nor on the study's research team - award participants' the course credit or
        - having a teaching or research assistant (TA/RA) award the participants' credit in such a manner that the researcher-educator is unaware of which students participated in the study until after final grades are reported.
- What the alternative option is for individuals to earn <u>equivalent</u> credit without participating in research.
    - The alternative credit pathway must be of "equivalent time and effort" for the IRB to consider if it is an acceptable alternative.
        - For example, an online survey that takes 15 minutes to complete about one's mood is not equivalent to writing a 5-page paper on mood disorders.
        - The alternative credit pathway must be listed in the consent materials. It is acceptable to state "An alternative opportunity to receive the same amount of credit will be provided to students participating in research. This alternative opportunity for extra credit will require the same amount of time and effort on the student's part as those choosing to be in the study."

Monetary compensation
Monetary compensation can take the form of cash, check, pre-paid gift card, direct deposit into a participant's bank account, payment through vendors such as MTurk or Prolific. The researchers MUST design the project in such a way that they DO NOT handle the sensitive data only needed for compensation or incentives.

- The departmental research office will never request a SSN or banking information. If that information is needed, it will be processed through Payment Works.

For monetary compensation, in addition to the information noted in the above section "What the IRB Needs to Know from the IRB Protocol" the following information must also be included as part of the IRB application materials:

- If the research participants are minors, the research team should be clear who the monetary compensation goes to. Usually it's the parent/guardian and the minor participant should know that before assenting to participate in the research study.

- Compensation mode(s) (e.g., paper money, check, gift card, direct deposit)

- Distribution method(s) (e.g., provided in person, mailed to participant, electronically sent).

- Justification of any compensation differentials.
    - Explain why participant groups are getting different amounts of compensation if that's the case in the study.
    - If one compensation amount is offered for all participants who successfully complete the research activities such as a drawing for a gift card, use the language of "drawing" and NOT "lottery" or "raffle" as those have legal requirements or prohibitions.

- What participant information is needed to facilitate compensation.
    - If a paper check or direct deposit to a bank account were the mode of payment, each subject would have to register with PaymentWorks. The department or CRO would need the names and email addresses in order to invite them to register.
    - Sometimes just being associated with a study can increase risk to participants in ways that participants do not consent to.
    - Note: when being associated with a study increases risks to participants, the IRB office will require that no information linking an individual to the study is created or collected and as a result, facilitating the compensation may need creative solutions.

- Who will handle the participant compensation processes (e.g., NC State accounting office, NC State research team, third-party platform) and what identifiable participant information they need to do so, particularly if they are <u>not</u> part of the research team.

- Talk with the appropriate College Research Office or department research administrator about a cash advance and reimbursement. Sometimes you can get a cash advance and use that to buy gift cards or give cash to participants for a research study so that the research team handles the research compensation processes.
    - The research team must hold on to the receipts to turn into their department.

- Along with the receipts, if approved by the IRB to do so, the researcher should maintain a master list that connects the individual participant with the gift card or cash and provide the minimum information to the College Research Office (and subsequently finance/accounting office) as approved in the IRB protocol and in accordance with the current "Payables Guide."

- Regardless of funding source, researchers cannot use an app (such as Google Pay, Zelle, CashApp, or Venmo) to dispense compensation to participants. This is due to the fluctuations in terms of service, how the app accesses, uses, and shares data, and the subsequent liability to the university due to these issues.
    - In extremely rare circumstances, this may occur but justification as to why other payment methods cannot work must be provided to the IRB and the researcher must work with both their college research office and IT before requesting this use in the IRB application.

- Will the participant information be used for compensation be connected to the research data? If so, describe how it is connected.
    - Wherever possible the IRB expects that compensation information is collected and stored separately from the research data.
    - Example: this can take the form of two surveys: one for research and the other to collect compensation information.

- General Information specific to gift cards:
    - All gift cards are considered cash or cash equivalents and must be reported as income to the IRS
    - Each department at the University must report any gifts or gift cards purchased to the Tax Office to determine any potential tax liability
    - If we do not know who is or is not a US Citizen, we can follow the IRS' "presumption rule" and have the expectation that they are US Citizens.
    - Your College Research Office or Department will ask for at minimum the following information:
        i. Recipient Name
        ii. NC State Employee ID if applicable
        iii. A statement that the person is either a "US Person" or a "Foreign Person" for tax purposes.
            1. A U.S. Person could be a U.S. Citizen, a Lawful permanent resident (i.e. green card holder) or an individual who satisfies the substantial presence test (resident alien).
            2. A Foreign Person could be anyone who is not a U.S. citizen and does not meet the Green Card or Substantial Presence tests (nonresident alien)
        iv. The participant's email address
        v. Physical address

vi. When anonymity is required by the IRB, the college research offices will accept a letter from the IRB and use a researcher-generated random number in place of a name when completing the gift card template.

- Should the IRB determine that providing the above information to the applicable departmental office increases risks to participants, the IRB office will provide an official letter to submit to the relevant office instead of the researcher providing the individual level aforementioned information. This letter will state that the IRB prohibits the sharing of this information.

Compensation Processes

It is expected that the research team communicates proactively with participants about WHEN they're going to get paid through the Informed Consent process. Knowing who to contact, the timeline for payment in advance, and how they will be compensated reduces participant complaints to the IRB office about compensation.

Automated payment systems offer immediate reward to participants, but researchers can end up compensating the same participant multiple times, paying bots/fake participants, and the data might be rife with unusable data (i.e., "ballot stuffing"). Communicating a delay between participation and compensation, if it is prospectively communicated, can help the research team ensure quality data collection from real participants who receive the research incentive/compensation once.

The IRB requires that all conditions of data sharing for research compensation or incentives align with what participants consented to. Whatever information is shared about a participant in order to receive compensation, needs to be detailed in the IRB application and consent form.

Taxes

Under IRS rules, all payments made to research participants are considered taxable income to the recipient, regardless of the form of payment (e.g., cash, check, gift card). The university, as the payer, is legally obligated to report these payments to the IRS and to the participant if the aggregate total for a single calendar year reaches or exceeds $2000. It is important to note that even if the total payment amount is below this reporting threshold, the income is still taxable to the individual, and they are responsible for reporting it on their personal tax return.

If a participant will be compensated more than $2000, either in one study or over the course of participating in several studies, the research team must articulate in the IRB application how the participant will use PaymentWorks to handle the information.

- The IRB office will require that participants provide the necessary information directly to PaymentWorks and do not provide the highly sensitive or ultra sensitive data to the researchers for the sole purpose of compensation.

- Should the IRB determine that providing the above information to anyone increases risks to participants, the IRB office will provide an official letter to submit to the relevant office instead of the researcher providing the individual level aforementioned information. This letter will state that the IRB prohibits the sharing of this information.

The IRS treats gift cards as cash-equivalent compensation, which means they are generally taxable income—whether given to employees, nonemployees, or nonresident aliens. For tax purposes, your College Research Office (and subsequently finance/accounting office) will require information about a participant's citizenship where the participant is either labeled "US Person" or "Foreign Person." This is because people with these statuses are taxed differently and the College Research Office (and subsequently finance/accounting office) must account for additional taxes for "Foreign Person."

- <u>In some cases, this information may increase risk to participants, and the IRB will intervene by prohibiting the sharing of this information.</u>

For IRB Protocols where Participant Identities Cannot Be Shared

- According to [Treasury Regulation §1.1441-1(b)(3)(iii)](), if a payment lacks sufficient documentation to establish the payee's status, it is presumed to be made to a U.S. person. This information is typically used by the College Research Office, but the researcher should be aware of it.

- Should the IRB determine that providing the above information to the applicable departmental office increases risks to participants, the IRB office will provide an official letter to submit to the relevant office instead of the researcher providing the individual level aforementioned information. This letter will state that the IRB prohibits the sharing of this information.

For NC State Employees

- NC State University has [regulations about employee compensation POL 05.15.03]() (opens in a new window), which can influence research compensation/incentives.

- The IRB views it as a violation of the principle of [Justice]() to exclude NC State employees from research participation because of their employer or employment status (unless there is a scientific justification or participant protection justification for doing so). <u>However</u>, there are legal implications around taxes that may make this required.
    - It is the responsibility of the research team to work with their College Research Office (and subsequently finance/accounting office) to address any potential concerns or pitfalls of a study that offers research incentives/compensation and includes NC State University employees as part of the participant pool.
    - The IRB maintains that participation in research activities and

compensation for research activities are not a part of an individual's employment or their status as an employee. All research activities are voluntary and cannot be required as a part of employment. However, NC State University tax compliance have requirements that need to be met,

    - When a research incentive is provided to a participant, who is also an employee in the department, it will be reviewed by the Tax Compliance Team to determine whether the research incentive has a close connection to the participants employment status.
        - If the research is related to the participant's employment status, then the research incentive will be sent to payroll for federal taxes to be taken out.
        - If the research is unrelated to the participants employee status then it will not be reported to payroll. If research incentives exceed $2,000 then the participant/employee will receive a form W-2 for their wages and a 1099-MISC for amounts $2,000 or greater.
    - Some colleges and departments do not allow researchers to include NC State employees when using survey platforms like MTurk and Prolific because there is no way to identify someone as an NC State employee to report compensation to payroll. Check with your department/college to identify their expectations.

- Though the IRB suggests paying a "living wage" rate for participation in research, when designing a study, an employee's status must be taken into consideration regarding time commitment, wages lost, necessary information collected, taxed research participation compensation, and any risks to employment etc. Note, compensation for participation in research is not considered a wage or a salary.

- Under the tax laws and NC State policy,
    - When a research incentive is provided to a participant, who is also an employee in the department, it will be reviewed by the Tax Compliance Team to determine whether the research incentive has a close connection to the participants employment status. If so, then the research incentive will be sent to payroll for federal taxes to be taken out.
        - If the research is unrelated to the participants employee status, then it will not be reported to payroll.
        - If research incentives exceed $2,000 then the participant/employee will receive a form W-2 for their wages and a 1099-MISC for amounts $2,000 or greater

Confidentiality and Privacy Concerns in Compensation

There can be issues with participant privacy and data confidentiality given that public/federal funds are often involved in research compensation processes and because NC State is a public university subject to the NC Public Records Law and in some cases the Freedom of Information Act (FOIA). To that end, when the issue of collection and sharing participant information for the purposes of compensation arises, the NC State IRB urges researchers to collect the minimum information necessary and that the information needed for compensation is collected separately from the research data.

It is the researcher's responsibility to understand what information is required by their department in order to compensate participants and subsequently communicate this in the IRB protocol. This must be accounted for in the IRB application and communicated to participants in the consent materials before they consent to research. The research team is also expected to detail how they plan to handle such information with care, if they handle it at all.

In rare circumstances NC State researchers complete human subjects' research activities with participants where just being associated with the research project increases risks to participants. In these cases, should the IRB determine that collecting or providing identifiable information to anyone outside the research team increases risks to participants, the IRB office will provide an official letter to submit to the relevant office. This letter will state that the IRB prohibits the sharing of this information.

Informed Consent Template Language When Compensation is $1,999.99 or Less

For U.S. Citizens, Permanent Residents, and Resident Aliens: To protect your privacy and minimize tax reporting requirements, NC State limits the total value of research participation payments (including gift cards) you can receive across **all** university studies to less than **$2,000** per calendar year.

- **Under $2,000:** If your total annual payments remain below this amount, your identifying information will not be sent to the NC State Controller's Office for tax reporting.
- **$2,000 or More:** If your cumulative payments across the university reach or exceed this threshold, you must provide your citizenship/residency status and any necessary tax documents.
- **Please Note:** While individual university tracking limits may vary, <u>all income earned from research participation is considered taxable by the IRS,</u> regardless of the amount.

For Foreign Nationals / Non-U.S. Persons: If you hold foreign person tax status, you will be required to complete a Sprintax Calculus tax assessment and provide relevant immigration documents (such as Form W-8BEN, visa, passport, I-94, I-20, or DS-2019). This allows the university to determine your tax residency, liability, and eligibility for any tax treaty benefits that could lower your tax rate.

Questions?

- For international employee compensation: ictquestions@ncsu.edu
- For non-employee participant compensation: tax_compliance@ncsu.edu

Informed Consent Template Language When Compensation is $2000 or More

The university is required by law to report certain payments to the IRS. To protect your privacy, the total value of gift card payments you receive for participation in this and all other university studies is limited to less than $2000 per calendar year. If your total payments for research participation from the university reach $2000 or more within a calendar year, your privacy cannot be guaranteed, and you will be required to provide your citizenship or residency status along with any necessary tax and/or immigration documents for reporting purposes.

- **U.S. Persons and Resident Aliens:** If you hold the status of "U.S. citizen" or "resident alien" for tax purposes, the university must report your payments on a Form 1099-MISC. The Tax Compliance Office will then be required to ask for your name, address, and request a completed W-9 form for tax reporting purposes.
- **Foreign Persons:** If you hold the status of "foreign person," you will be asked to complete a Sprintax Calculus tax assessment and provide your immigration documents such as a Form W-8BEN, visa, passport, I-94, I-20, DS-2019 to determine your tax residency and tax liability status and to determine if you are eligible for a tax treaty benefit to lower your tax rate. If you have any questions about Sprintax, requesting a tax assessment, or any general questions about international compensation and taxation for participants who are employees, please reach out to ictquestions@ncsu.edu. For payments to non-employees questions should be directed to tax_compliance@ncsu.edu.

Appendix A

Example Situations where the IRB Would Require Withholding Participant IDs for the purpose of Compensation or Incentives

The IRB would withhold participant IDs from being shared when simply being associated with the study increases risks to participants. For example, if the collection of the identifying information due to the research would:

- Identify undocumented immigrants who are unknown to the government.
- "Out" LGBTIQ+ identified people
- Identify or "Out" someone who is/was pregnant AND if information about abortion is related to that pregnancy
- Increase scrutiny for religious minorities
- Increase scrutiny due to political ideology or speaking out against government leaders (in a context where doing so can lead to deportation, loss of benefits, employment termination, incarceration, or death)
- Identify people who have engaged in unlawful behaviors where that behavior is specifically detailed in the research activities.
- Identify an individual to the researcher or others where those who have the information about the participant also have reporting obligations.
- Identify people who have engaged in unethical behaviors that may lead to severe reputational harm, negative employment or academic consequences, or financial harm.

Appendix B

Difference Between Compensation, Benefits, and Reimbursement

Direct Benefit: A benefit arising from receiving or participating in an intervention, interaction, manipulation of environment, or allowing identifiable data to be used for research. Examples include:

- a participant may directly benefit from an intervention that includes access to information, teaching, and skill development that they would not otherwise have access to such as professional development, personal training, nutrition classes, targeted math, science, English, or writing curriculum.
- a participant may directly benefit from an intervention that includes the development of a prosthetic that is specific to their needs, the access to a mobile device or software that is not yet publicly available or it's very expensive.

Indirect Benefit: A benefit arising from being a participant in research, even if one does not receive the intervention or benefits to science or society include the knowledge researchers expect to gain from conducting the study. Examples include:

- scientific/societal benefits may include improved safety practices; technological advances; or enhanced understanding of a behavior, disorder, or condition that may influence future treatment.

Compensation or Incentive: Compensation and incentive for participating in research is anything given to subjects as remuneration for the time and inconvenience of participation in research. Compensation can be monetary or non-monetary, and can be offered in a range of forms, including but not limited to cash, gift cards, vouchers, trinkets, course credit, and the opportunity to enter a drawing for a prize.

Reimbursement: Reimbursement covers out-of-pocket expenses directly incurred as a result of study participation, such as transportation, parking, or childcare. These payments are not considered compensation for participation, are not viewed as taxable income, and are not reportable to the IRS. Reimbursement is not the same as compensation. Being able to reimburse participants allows researchers to reach beyond their previous recruitment radius and ensure equitable participation. To be reimbursed, the participant would register with PaymentWorks.