



TAX TREATMENT OF EXTERNAL EXAMINER FEES AND EXPENSES

External Examiner Fees are paid in accordance with HM Revenue & Customs' 'Particular Occupations' legislation as follows.

"Payments made to external examiners engaged by universities for masters' degrees and doctorates generally fall to be treated as trade profits with liability for Class 2/4 NICs.

Payments relating to examinations other than GCSE, 'A' level, and university degrees, for example for professional qualifications, may be chargeable to tax as trade profits with Class 2/4 NICs liability or as employment income, depending on whether a contract of employment exists"

To clarify, Postgraduate External Examiners are treated as self-employed workers and all fees and expenses are paid gross, i.e. with no deduction of income tax/National Insurance Contributions. Postgraduate Examiners are advised to declare these fees on their Self-Assessment return.

Undergraduate Examiners are treated as employees for tax purposes and self-employed for National Insurance purposes; therefore all fees are subject to the deduction of income tax only.

Both Postgraduate and Undergraduate External Examiner Expenses are paid gross, i.e. with no deduction of income tax/National Insurance Contributions.