Interns (aka – ministry associates, ministry experience scheme, pastoral assistants or discipleship year)

What you need to know – The legal stuff.

Calling somebody an intern **does not**, on its own, clarify the way that they will fit in your organisation. Some interns are employed, some can claim expenses, some are full volunteers. For simplicity when talking about contracts and in other legal matters it is best not even to refer to them as interns as this word itself is linked with a very specific type of role that includes a level of training and is eligible for government support and as such is subject to scrutiny over agreements around pay.

So, if not an intern, who do you want to join your team?

The most commonly appointed “intern” in a church setting comes under what is known as a **voluntary worker.** These differ from workers or employees in that they are not paid for the work that they do. Most importantly, they CANNOT be paid for the work they do.

# Voluntary Workers

A voluntary worker will not have an employment contract but should instead have a volunteer agreement. This will outline the supervision arrangements, what expenses they can claim, health and safety issues, whether they are covered by your public liability insurance and what training is available.

A voluntary worker is able to claim out of pocket expenses for travel (driving expenses may be taxable) and reimbursement of resources or equipment that they have bought for the church but they cannot be paid an allowance or pocket money. As soon as you pay a voluntary worker any money in exchange for the work they are doing this forms a contract of employment and they are automatically awarded all employment rights including national minimum wage. Any money that is transferred from the church the voluntary worker is working for will automatically be seen as a wage, even if you see it as a donation or gift. This then means that they will become employees of the PCC and you will therefore need to pay minimum wage ( National minimum wage pay rates can be found here: <https://www.gov.uk/national-minimum-wage-rates>).

# Apprenticeships

Be careful looking at apprenticeship rates. There are strict rules for taking on an apprentice and the training which they are undertaking. An intern will not automatically be an apprentice just because they are studying. ( see [Apprenticeships](https://www.apprenticeships.gov.uk/) for more details).

Signing up for a theological course will not necessarily constitute an apprenticeship.

# Housing

Providing a voluntary worker with accommodation is considered a benefit-in-kind and is taxable in the same way as regular income is. Providing any worker with accommodation (with a few exceptions including ministers of religion) could land the worker with a hefty tax bill. Sadly the same applies for renting accommodation to them at below market rent. The difference would still be seen by HMRC as a benefit in kind.

There are two ways that a voluntary worker can be provided with accommodation for free.

1. A separate trust is created that owns the property. The trust is able to give the property to the worker free of charge or for a below market rent. As the trust is not the employer it is not considered a benefit in kind so there is no tax due on it either.
2. An individual who owns a property can allow a worker to live in it rent free or for a below market rent.

# Stewardship

Stewardship organisations allow individuals (not the employer) to donate to a stewardship account owned by the worker. Stewardship accounts are designed for missionaries to collect donations and the stewardship organisation will claim gift aid on behalf of the account holder too. The stewardship organisation will then release funds every month for the duration of the internship/ministry experience year etc.

Individuals from within the church can make donations into a stewardship account for a voluntary worker. The company/charity /PCC that the voluntary worker is working for may NOT make donations to this account. ([Give with Stewardship](https://www.stewardship.org.uk/giving/give))

The voluntary will need to open a stewardship account before anybody can make any donations in this manner. The church PCC will be required by the stewardship organisation to validate the application from the voluntary worker.

# Separate employment

A voluntary worker can take employment elsewhere whilst also volunteering for your organisation. Many volunteer workers will take another employed role to help cover their own living expenses.

A church may employ a cleaner, café worker, administrator etc. and a voluntary worker could take one of these employed roles for a limited number of hours as long as the work is completely separate to the work they are volunteering for.

For example you could not offer a voluntary worker 5 hours of paid employment to run a youth club on a Friday night and then expect them to volunteer another 20 hours doing youth work for the rest of the week.

# What does a volunteer worker agreement look like?

Practical steps to reduce liability

If you recruit unpaid interns to your organisation, there are a number of things you can do to reduce potential liability:

• Document the arrangement properly and be careful to avoid any suggestion of ‘worker’ or employment status, keeping it an informal and flexible arrangement.

• Avoid making any payments that could be construed as wages. Limit payments to actual expenses (payable on proof of receipt) and limit the availability of perks.

• Restrict the duties and limit any obligations imposed on interns to avoid the suggestion that they are doing more than simply observing and gaining experience. For example, set working hours, holiday, days off etc

• Keep the arrangement under review and ensure that your staff do not regard interns as unpaid assistants or promise them paid work on the successful completion of the internship.

You can’t detail:

* holiday entitlement
* working hours and times
* A day off
* Promise of employment on completion of the year

You can outline:

* Areas of ministry
* Reasonable expectations
  + Number of hours

An internship is designed to be an experience scheme and not a way of getting cheap labour or a way of succession planning for a salaried role in your church.

The majority of these schemes run for a year and sometimes two years. Anything longer than this period indicates the need for an employed worker.

This document is intended to help you to observe good practice and stay legal in the process.

If in doubt please contact Dan Jenkins for further discussion or specific circumstances.