



Quaker Employers' Resources

Guidance on whether the provision of accommodation for employees or volunteers is a taxable benefit

For Quaker charity trustees engaging employees or volunteers in roles that are offered with accommodation provided.

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Background

Many Quaker communities engage volunteer wardens or resident Friends or have employees who are provided with accommodation. Warden's homes are often located nearby a Quaker meeting house to enable wardens to carry out duties at short notice or flexibly to suit the times that Quaker meeting houses are in use or other out of hours needs.

Britain Yearly Meeting has prepared this guidance based on legal advice provided by Bates Wells Solicitors. It will be made available to Quakers for their use when employing staff or engaging volunteers.

Basic tax principles

Under basic tax principles volunteers are not employees and so are not subject to the usual tax rules applicable to employees. As such they are entitled to be paid / reimbursed tax free the costs they incur in connection with undertaking their volunteering.

This can include:

- Meals while volunteering
- Cost of travel between home and the place of volunteering
- Child caring costs while volunteering
- Volunteering related telephone calls
- For disabled volunteers, the cost of enablers while volunteering

If the expenses provided to the volunteer exceed the value of volunteering then HMRC can and will tax the excess as income; the volunteer is de facto getting paid for their work and that changes the dynamic.

Provision of accommodation

Meeting house wardens can be employed or volunteers. There is often an expectation that wardens need to live close to their place of work (the Quaker meeting house), so they are available at short notice for the better performance of their duties.

There is a long custom and practice in providing living accommodation to wardens. Their accommodation, even if they were to be regarded as employees for tax purposes, could be provided tax free, as could council tax and water rates. Electricity, gas, telephone and any other similar amenities that may be provided **are** taxable benefits for employees. There is therefore a tax risk in relation to these benefits for volunteers. Ideally the volunteer should pay for those services themselves. If it is necessary to include them (e.g. because there is no separate utility meter) then further advice may be needed.

Please use the template volunteer and service occupancy agreement documents on the Quakers in Britain website, www.quaker.org.uk/employers, which have been updated in 2025 for this purpose.

Some considerations when engaging volunteers

There is a risk that volunteer wardens could be regarded as employees for both tax and employment law purposes. There may be examples within an area meeting that volunteer wardens are working on the same basis as employed wardens, but without pay. The provision of accommodation in return for their volunteer services could be seen as valuable consideration giving rise to a contractual relationship.

The BYM template volunteer agreement is careful not to impose obligations on volunteers, and to differentiate their position from that of an employee. If employed and volunteer wardens carry out the same role, HMRC or an employment tribunal would look at what happens in practice, not just what is in the agreement. This would be a strong indicator that the actual status of the volunteer was that of employment. The longer a volunteer remains in their role, the greater that risk is likely to be.

Where a Quaker charity has a mix of volunteer and employed wardens then the trustees should consider carefully if this is appropriate. In particular they should have a clear rationale why some wardens are volunteers and some are employees.

As outlined above, if a volunteer warden is deemed by HMRC to be an employee for tax purposes then this would not create a tax risk in relation to the accommodation provided. The risk would only be in relation to any other benefits provided (apart from council tax and water rates).

Separately to the tax risk, if volunteers carry out an equivalent role to employees, this creates employment law risks both in terms of:

- i. volunteers asserting employment rights (for instance making allegations of discrimination under the Equality Act 2010), and;
- ii. liability for National Minimum Wage (NMW).

Discrimination under the Equality Act 2010

Discrimination is a particular area of concern with volunteers because of the availability of compensation for injury to feelings, which, unlike most other damages, is not calculated by reference to salary. You can minimise this risk by ensuring that volunteers are never, on a day-to-

day basis, **required** to carry out any duties, and that you always seek to differentiate between employed and voluntary wardens.

Be careful that the distinctions don't get lost in practice.

Liability for National Minimum Wage (NMW)

Pure volunteers are exempt from NMW legislation. The provision of accommodation that is reasonable in the context of the role does not take someone out of being a volunteer. If there is a contract in place, which could be implied and verbal then a volunteer could be deemed to be employed. BYM's template volunteer agreement makes it clear that there is no intention to create a legally binding relationship. However, it would be possible for a separate contract to be implied between a Quaker charity and a volunteer warden, based on their undertaking of services in return for the provision of something of value (their accommodation). It is important not to allow any practice to arise that suggests that volunteer wardens are really under a duty to do something as this could be construed as creating a contract.

Voluntary Workers

BYM does not recommend that Quaker charities use the Voluntary Worker status. See the Quaker employers' resource (section 2.2) for more information, www.quaker.org.uk/employers. If you have questions about the Voluntary Worker status please contact Quaker Life using the details later in the guidance.

Summary

The tax risk of the accommodation to either employees or volunteers being viewed as a taxable benefit is low because it is provided for the better performance of their duties and it is customary for wardens to live near the workplace.

If a volunteer warden is deemed to be employed for tax purposes (which is a possibility) the payment of electricity, gas and other amenities (except for council tax and water rates) would be viewed as a taxable benefit. The same would be true for an employed warden.

Quaker charity trustees should look at how work is delivered across their charity. Where there are volunteers carrying out similar duties as paid employees, trustees will need to take a view as to whether the volunteers should be employed.

There is some risk that these volunteers could be viewed as employees (or workers) if they were to bring a claim, for example of discrimination, given that they receive a valuable benefit in exchange for their volunteering.

Quaker charities need to be sure to avoid any National Minimum Wage risk with volunteer wardens by being clear that the provision of accommodation to volunteers is "reasonable" in the context of their role. In addition, they must be careful not to place obligations on the volunteering that could give rise to a contractual relationship.

Definitions of terms

Area Meeting or AM	are constituent bodies within the Religious Society of Friends in Britain, most of which are charities and are part of the formal Quaker structures;
Britain Yearly Meeting (BYM)	means Britain Yearly Meeting of the Religious Society of Friends (Quakers), meaning the charity registered as charity number 1127633;
Charity Commission (CC)	means the regulator for charities in England and Wales;
OSCR	means the Office of the Scottish Charity Regulator, the regulator for Scottish charities;
Quaker charity	means a constituent charity and part of the formal structures of the Religious Society of Friends. These may be Area Meetings, but may also be a body that incorporates two or more area meetings or Quaker bodies;
Quakers	means members and regular attenders of the Society;
Society	means The Religious Society of Friends (Quakers) in Britain, meaning the community of Quakers in Britain, including individuals, Local, Area, General Meetings and BYM as set out in Quaker faith & practice from time to time;
Warden	refers to a paid or voluntary position or worker carrying out duties in a Quaker meeting house.

Contact

Quakers in Britain employment and volunteering support.

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