

## Research Participant Payments – IRS Reporting Update

**Effective January 1, 2026, the U.S. IRS reporting threshold for research participant compensation has increased from \$600 to \$2,000 per calendar year.** While the institutional reporting threshold to the IRS has increased, the fact that research participant compensation is taxable income remains unchanged. Reimbursement for documented participant expenses related to participation is not taxable.

### What does this mean for researchers?

#### New Study Submissions:

If the study's financial compensation exceeds or is nearing the threshold, study teams should include updated language in their consent(s). Study teams can provide their own language, or use Sterling IRB's template language:

*No taxes will be deducted from your compensation for participating in this study. You are responsible for paying any state, federal, local or social security taxes. If you receive more than \$2,000.00 in one calendar year from participating in a clinical research study, you will receive a 1099 tax form the following January. The money paid to you during one calendar year will be reported to the Internal Revenue Service (IRS). Please note that the dollar amount that is required to be reported to the IRS may change each year. A 1099 tax form will be given to you when it is required. The research site may collect your social security number, name and address to comply with IRS reporting requirements.*

#### Existing Studies with Active Participants:

For already approved studies with outdated tax information in the consent form, study teams should **inform active participants of the change in IRB reporting** and **submit a revised consent form to Sterling IRB** using the Modifications and Amendments Submission Form.

- Active participants, and any newly enrolled participants (enrolled prior to approval of revised consent materials), may be notified of the change using the following methods:
  - Verbal notification at the time of the next interaction with the participant, using the Sterling IRB-approved “Research Information Sheet: 2026 IRS Reporting Update” as a script. The date and time of participant notification, as well as a summary of the information provided, should be recorded in the study records.

OR

- Provision of the Sterling IRB-approved “Research Information Sheet: 2026 IRS Reporting Update”. For new participants, the Information Sheet can be presented as a Consent Addendum. For already enrolled active participants, the Information Sheet can be provided at the time of the next interaction with the participant. The date and time of participant notification should be recorded in the study records, along with a copy of the Information Sheet.
- The revised consent form may be submitted when there are other unrelated changes that need to be made to the consent form for a future amendment.

Please note that the separate “Research Information Sheet: 2026 IRS Reporting Update” is IRB-approved and cannot be modified other than insertion of the PI name, protocol title, and contact information where indicated. No additional submission to the IRB is needed to use this “Research Information Sheet: 2026 IRS Reporting Update”.