

# BEST PRACTICE GUIDELINES ON PAY AND RECOGNITION OF VOLUNTEERING

Ibero-American Association of Time Banks  
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HOW THESE SYSTEMS CAN BE LEGALLY CLASSIFIED AND WHAT  
CONDITIONS OF THE LEGAL FRAMEWORK MUST BE OBSERVED  
IN THEIR IMPLEMENTATION

Summary



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## INTRODUCTION

Regarding the legal framework to be observed for the implementation of all the proposals set out in our report, and how these proposals can be legally classified, we have carried out a study of the legislation of the countries involved in the project, namely Spain, Austria, Germany and Italy:

### SPAIN:

In the case of Spain, the only applicable legislation for exchange networks or for the promotion of volunteering that includes a remuneration component must be those referring to Time Banks and to the Volunteering Law itself — Law 45/2015, of 14 October, on Volunteering — taking into account the potential conflict between the concepts of volunteering and remuneration, as discussed in the introduction to this report.

Additionally, the Autonomous Community of Galicia is, so far, the only region in Spain that has established a legal framework for the development of Time Banks (in Galician municipalities) at the municipal and rural levels. This is specifically addressed in Law 2/2007 of 28 March, on Work and Equality for Women in Galicia<sup>1</sup>, approved by the Galician Parliament on 13 March 2007.

Concerning the legal framework for exchanges within a Time Bank, we include a publication by Ms. María José Blanco Barea, Law graduate and president of the Zamora Time Bank Association, and Ms. Dori Fernández Hernando, graduate in Gender Equality from URJC. In it, they draw conclusions regarding the legality of exchanges that take place within a Time Bank.

### AUSTRIA:

In Austria, the new Volunteering Act (2024) also regulates certain aspects of recognition schemes for example, that for small volunteering assignments, a maximum of EUR 30 per calendar day or EUR 1,000 per person per year may be paid. For large volunteering assignments, as defined by law, a maximum of EUR 50 per calendar day and EUR 3,000 per person per year may be paid. The law also outlines the types of activities that qualify for the higher lump-sum allowance, as described in detail in the same report.

There is currently no specifically defined legal framework in Austria for point-based systems such as time banks, time provision models, or recognition point<sup>2</sup>schemes.

Other issues addressed in this report concern tax-exempt models based on point systems. In the AHA Plus model, points received are not redeemed for direct monetary value or benefits. Instead, the points earned can be used, for example, to attend

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<sup>1</sup> [https://noticias.juridicas.com/base\\_datos/CCAA/ga-l2-2007.html](https://noticias.juridicas.com/base_datos/CCAA/ga-l2-2007.html)

<sup>2</sup>Source

<https://www.oesterreich.gv.at/Gesetzliche-Neuerungen/archiv-bgbl-2023/freiwilligengesetz.html>

seminars or to receive vouchers provided by companies. Therefore, this type of model is not subject to taxation. If, within these models, time credits are accumulated over the long term without any option for direct redemption into benefits, it can be assumed that tax or social security obligations are not triggered. As with time credits, there is no possibility of reciprocal exchange in these models. Credit balances are maintained over the long term, there is no right to reimbursement, and any credit balance lapses upon death.

It is important that these systems do not allow for immediate redemption in exchange for benefits. Otherwise, the principle of reciprocal provision would apply, qualifying the relationship as an exchange. Barter transactions are subject to taxation.

Other models relate to what can be described as reciprocal services, such as barter circles, time banks, etc. In principle, these are subject to taxation in Austria. For this reason, barter systems such as *Talente Vorarlberg* inform their members in their regulations that each individual case may be subject to tax liability.

In Austria, the principle of "affectation" (Zuflussprinzip) is also enshrined in the Social Security Act. This means that tax liability arises when the value is actually received — that is, when a payment or a non-cash benefit is received, not merely when points or hours are accrued or redeemed.

## **GERMANY:**

The legal classification in Germany is based on existing regulations that allow for the payment of monetary amounts — including hourly rates — to volunteers. In other words, monetary recognition of volunteer work is legally permitted, similarly to what has been described above for Austria.

The volunteer allowance (*Ehrenamtszuschale*) is a lump-sum expense allowance that can be granted to volunteers<sup>3</sup>. This pre-defined amount is intended to encourage civic engagement and is exempt from both taxes and social security contributions, meaning that neither the organization nor the volunteers are required to pay taxes on it. It is commonly used, for example, in the case of volunteer referees or arbitrators.

The volunteer allowance amounts to EUR 840 annually. The so-called *exercise instructor allowance* (*Übungsleiterzuschale*) is EUR 3,000 and is primarily intended for trainers in sports associations. A similar flat-rate allowance is available for voluntary work in the care sector, provided that the activity is conducted through an officially recognized care institution.

One of the prerequisites for performing this type of voluntary care is completion of free training courses offered, among others, by long-term care insurance providers.

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<sup>3</sup> <https://deutsches-ehrenamt.de/steuern-finanzen/aufwandsentschaedigung-verguetung/ehrenamtszuschale/>

## ITALY:

Italian legislation on volunteering begins with the first comprehensive law on the subject, Law No. 266 of 11 August 1991, also known as the Framework Law on Volunteering.

According to this law, a volunteer's work cannot be remunerated in any form, not even by the beneficiary. Volunteers may only be reimbursed by the organization through which they operate for expenses actually incurred and properly documented, and only within predetermined limits. The role of a volunteer in Italy is incompatible with any form of subordinate or independent employment relationship, as well as with any other paid professional relationship with the organization to which the volunteer belongs or through which they perform their voluntary activities. Organizations within the Third Sector that engage volunteers are required to provide them with insurance coverage for accidents and illnesses related to their voluntary activity, as well as liability coverage against third-party claims.

As for the legal recognition of Time Banks, this is established in Article 27 of Law No. 53 of 2000, titled *Time Banks*. This provision regulates the relationship between Time Banks and public entities, especially those in close proximity to citizens. In all cases, the hours worked by a volunteer within a Time Bank may not be assigned any monetary value, but only the right to receive an equivalent number of hours of service from other volunteers.

This must be the case, as current legislation stipulates that any compensation received in return for a service constitutes income, and is therefore subject to taxation and social security contributions. In general, all work-related income — i.e., any compensation derived from the performance of work under any form of subordination or supervision, including home-based work — is considered taxable and contributory income (Article 49(1) of Presidential Decree No. 917/1986).

## Conclusion:

Under current Italian law, it is not possible to assign an economic value to services rendered by a volunteer for the benefit of a third party.

This summary and the overall report are supplemented by two legal opinions commissioned by the promoters of this project from different law firms in Spain and Italy. These legal analyses are available in the full reports in their respective original languages.

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