

Giving to Charity by Individuals

Payroll Giving

What is Payroll Giving?

It's a simple way for you to give regularly to charity from your pay and get tax relief on your gifts. The Government is adding a further 10 per cent to all such donations for three years from April 2000.

Does my employer have to offer a Payroll Giving scheme?

No. But if your employer doesn't run a scheme, you might want to ask if they would be willing to start one. Your employer can find out more about running a scheme by calling the GAYE Helpline on 01732 520 019 or by visiting the GAYE web site at www.giveasyouearn.org

Can all employees join in Payroll Giving?

Yes, provided you are an employee or pensioner and your employer deducts Pay As You Earn (PAYE) tax from your pay or pension.

How much or how little can I give?

There is no limit on how much or how little you can give. It is entirely up to you.

How does Payroll Giving work?

You authorise your employer to deduct your gift from your pay. Every month your employer pays it over to a Payroll Giving agency approved by the Inland Revenue.

The agency then distributes the money to the charity or charities of your choice. Some agencies can provide you with a charity card or cheque book so that you can give directly to any charity whenever you want to.

How do I get tax relief?

Because your employer deducts your gift from your pay or pension before Pay As You Earn tax is worked out, you pay tax only on the balance. This means that you get your tax relief immediately at your highest rate of tax. (The amount you pay in National Insurance contributions is not affected.)

London Friend

Supporting the lesbian, gay &
bisexual community

Example

Basic rate taxpayer

	£
You authorise a monthly deduction of:	10.00
You save income tax at 22%:	<u>2.20</u>
Net cost to you:	7.80

Higher rate taxpayer

	£
You authorise a monthly deduction of:	10.00
You save income tax at 40%:	<u>4.00</u>
Net cost to you:	6.00

Charity

	£	
Charity receives:	10.00	
Plus 10% Government supplement:	<u>1.00</u>	[Until April 2003]
Total:	11.00	

Can I give to any charity?

Yes, you can give to any UK charity and you may give to more than one if you wish. You can nominate a large, national charity or a smaller, local one. You can nominate your church, village hall, Parent Teacher Association or Scout group, etc, providing they are charities.

Will my employer have to know which charity I want to support?

No, you can keep your choice confidential if you wish. The Payroll Giving agency will provide you with a charity nomination form which you can complete and return direct to the agency. (Alternatively, you may prefer to use the charity card or cheque book option described on the next page).

Can I change the charities I wish to support?

Yes, by simply telling the Payroll Giving agency.

Do donors have to give to the same charity every month? What happens if I want to respond to an emergency appeal?

If you don't want to elect a charity in advance you can open a 'CharityCard Account'. You can donate tax-free each month into the account and then make a donation from your account whenever you please using your 'charity chequebook', CharityCard or online services.

Can I stop giving?

Yes, at any time. Simply tell your employer's payroll department.

Can I ask for a refund of my donations?

No, once your employer has deducted a gift from your pay, it must go to charity.

Will the Payroll Giving agency deduct a handling charge?

The agency is a charity in its own right. It may deduct a small fee - usually no more than 4 per cent or 35p per donation, whichever is the greater - to meet administration costs. Some employers will pay the agency's charges so that the full amount of your gift can go to your chosen charity.

Will this affect the other gifts I make to charity?

No, you can make any other gifts you want to - for example, under the Gift Aid scheme.

Is more information available?

Yes, there is the 'Payroll Giving - a guide for employees' and the 'Payroll Giving - a guide for employers' available from the Inland Revenue. These give more information about the scheme and can be obtained by calling the Inland Revenue publications department on 0845 604 9000. The guide for employers contains a list of all the approved Payroll Giving agencies. It also contains a list of promotional fundraising organisations which will help employers set up and run a Payroll Giving scheme.