

PAYROLL GIVING

What is Payroll Giving?

Payroll Giving is a way of giving money to charity (Trinity) without paying tax on it. It must be paid through PAYE from someone's wages or pension. Payroll Giving is a simple, tax effective way to give to charity direct from your pay. The amount of tax relief you get depends on the rate of tax you pay.

How does Payroll Giving work?

Providing that your employer offers Payroll Giving it could not be simpler. You authorise your employer to deduct regular charitable donations to a Payroll Giving agency approved by the Inland Revenue. The agency then distributes the money to the charity or charities of your choice.

What are the benefits of Payroll Giving?

a) For You:

The agreed deductions your employer makes from your pay are done before you pay tax, which means that you get tax relief included in your donation at your top rate of tax and it is simple to do.

Benefits – Actual Costs to Employee		
Employee's pledge to charity (Trinity) gross	Actual cost to employee (at 22% tax)	Actual cost to employee (at 40% tax)
£5.00	£3.90	£3.00
£10.00	£7.80	£6.00

For example, if you pay tax at the basic rate it will only cost you £3.90 to donate £5.50 to the charity of your choice as shown in the table above.

b) For Trinity:

The main benefit of Payroll Giving is to create a regular flow of funds for Trinity. Trinity benefits as it receives your donation as though you had paid tax on it and so Trinity receives higher donations.

How can I find out if my employer offers Payroll Giving?

Ask your employer's payroll department. If they do not offer a scheme, suggest that they start one - it is easy and inexpensive to run. They can find out more about how to get started from the Inland Revenue.

Further information on Payroll Giving is available on <https://www.gov.uk/payroll-giving>.