

# **Payroll Giving**

# What is Payroll Giving?

Payroll Giving is a way for employees to donate to a charity or charities of their choice through their place of work. It is a simple, tax-effective way to give. Employees can give a nominated amount to any charity of their choice from their gross salary (before tax is deducted) and receive immediate tax relief. A £1 donation will only cost an employee 80p as a standard rate tax payer, or only 60p as a high rate tax payer.

# How do you set up Payroll Giving?

#### Five easy steps:

- 1. The employer signs a contract with a PGA (Payroll Giving Agency). The PGA informs HMRC of the contract.
- 2. The employer promotes the scheme in the workplace.
- 3. Employees complete their Payroll Giving donation forms and return them to the HR/Payroll department.
- 4. HR/Payroll sends copies of the complete forms to the PGA. Then every pay-run going forward, the deducted amounts and a statement showing the names of the people giving and the relevant charities needs to be sent to the PGA.
- 5. PGA check the money and information then distributes the funds by BACs. The charity will receive a report of all transactions so that we can check all the payments.

#### How we can help you:

- We can give you the contact details for the three main PGA's.
- We can help with promoting to your employees.
- We can provide you with a Payroll Giving Donation Form.



# **Benefits to Payroll Giving:**

#### The employer:

- Low cost to set up but this can be off set as a tax-deductible expense.
- Almost no work involved after initial set up.
- Plays an integral part in Corporate Social Responsibility and can help support a chosen charity.
- Shows support for causes that matter to the employees.
- Provides eligibility for Payroll Giving Quality mark and entrance to the National Payroll Giving Excellence Awards.

## The employee:

- Ability to give to a chosen cause, in a regular, reliable, tax effective way.
- All admin is handled by the employer and PGA.
- Only one form needs to be completed to give to as many charities as you wish.

## The charity:

- Regular income stream with no major cost to the charity.
- A great opportunity to build up long standing relationships with donors and companies.

## Why wouldn't you?