



> **C**an the charity provide any benefits in return for donations?

4.4.9 No, if a charity provides benefits (for example, free admission to properties or free or discounted tickets to events) in return for donations, the donations will not qualify for relief under Payroll Giving. However, HMRC would not regard items of negligible value, for example newsletters, stickers or badges, as benefits for this purpose.

Payroll Giving Guide

GAYE

Chapter 4 - Payroll Giving

[Extracted from HMRC Guidance Notes February 2014]

4.4 Employees

> **Does an employer have to provide a Payroll Giving scheme for their employees?**

4.4.1 No, there is no statutory obligation on an employer to provide a Payroll Giving scheme for their employees.

> **How does an employee join a Payroll Giving scheme?**

4.4.2 An employee joins a scheme by asking their employer for an application form. This should be filled in and given back to the employer or sent directly to the agency charity, depending on the particular arrangements of the scheme.

> **How does the employee get tax relief?**

4.4.3 The donation to charity is deducted from pay before it is taxed under PAYE. So the employee gets relief at their highest rate of tax. But the gift does not reduce earnings for National Insurance contributions purposes.

> **Which charities can employees support?**

4.4.4 Donations can be given to any institution accepted as a charity for tax purposes by HM Revenue & Customs (HMRC). Donations can be given to more than one charity (most Agencies will allow an employee to nominate up to six charities) or to a consortium made up of a number of different charities.

> **How does an employee leave the scheme?**

4.4.5 An employee can leave the scheme at any time by giving their employer reasonable notice to stop their Payroll Giving deductions or by giving notice to the Agency.

> **Can donations be refunded?**

4.4.6 No, once a payment has been deducted from earnings and tax relief given the donation must go to the Agency for forwarding to the nominated charity or charities. The Payroll Giving legislation specifically prohibits, under any circumstances, a refund of an employee's Payroll Giving donations.

> **Does the employer have to know which charity receives the donation?**

4.4.7 No, it is not necessary for the employee to tell the employer which charity they intend to benefit. Requests can be forwarded directly to the Agency. It is an important feature of the Payroll Giving scheme that an employee can keep their choice confidential if they wish to do so.

> **Does the charity have to know who a donor is?**

4.4.8 No, the Agency should not provide the charity with any information about a donor (name, address or employer) without the agreement of the donor.