

Payroll Giving for Charities



What is Payroll Giving?

Payroll Giving allows employees to donate to their favourite cause(s) tax-free from their salary.

Giving through pay passes the tax-benefit to the donor and gives them a discounted way of supporting charities. A £5 donation via Payroll Giving means that only £4 is deducted from a standard rate taxpayers net pay. Those paying more tax will benefit even more.

As a charity receiving Payroll Giving income, the good news is that as the tax is included automatically, so you do not need to get consent to claim Gift Aid and deal with the related administration. Payroll Giving is also only form of regular giving where higher rate tax-payers can pass all of the tax automatically to the charity.

And when an employer matches their employees' donations, you can do even more for your beneficiaries!

Who is who in Payroll Giving?

Payroll Giving Agent (PGA)

This is an organisation that distributes donations from employers' payroll to all the chosen causes. All PGAs are registered charities and regulated by HMRC. They charge between 2-4% to process donations, which is in line or slightly less than other fundraising platforms.

It is worth noting that 40% of employers operating the scheme cover these costs, so every £1 donated is received by the charity chosen by an employee.

You can find a list of all the PGAs [here](#).

Professional Fundraising Organisation (PFO)

Promote Payroll Giving in the workplace. Most of them carry a 'basket' of up to 150 charities to help employees choose a cause. Charities in the basket pay a one-off fee for each supporter recruited. PFOs can also help charities by providing online sign up for their websites.

You can find a list of them all on here: www.apgo.org.uk.

How to make the most of Payroll Giving?

- First of all, start by having Payroll Giving available for your own employees! Practise what you preach and promote your own scheme on a regular basis.
- Build Payroll Giving ask into your Corporate partnership activities.
- Communicate with Payroll Givers just as you do with other regular givers.
- Offer it as a one of the ways of supporting your work on your website.

Need any more information?

Please contact mervi@gearedforgiving.org