

Our Lady & St Patrick's Parish Trust XN 45758

What is Gift Aid?

Gift Aid is a Government scheme. It is a way for charities or Community Amateur Sports Clubs (CASCs) to increase the value of gifts of money from UK taxpayers by claiming back the basic rate tax paid by the donor. It can increase the value of donations by a quarter at no extra cost to the donor. Gift Aid is worth nearly £1 billion a year to charities and their donors. The Gift Aid scheme is administered and managed by HM Revenue & Customs (HMRC), their website (www.hmrc.gov.uk) has detailed guidance and information. Gift Aid is a way for charities or Community Amateur Sports Clubs (CASCs) to increase the value of gifts of money from UK taxpayers by claiming back the basic rate.

How Does Gift Aid Work?

Imagine Jane pays income tax at the basic rate of 20% on her annual salary. If Jane gives a donation of £100 the Parish can claim back the tax, which she has already paid, on this money – in this case £25. Remember: to give the Parish £100 Jane has earned £125 (gross amount of pay before tax) 20% of this gross amount is £25. The amount of Gift Aid that can be claimed on a donation (assuming a basic tax rate of 20%) is 25p for every pound. Important: Donors who pay 40% higher rate tax or 50% additional rate tax can claim extra relief on donations to the Parish. If a donor claims age-related allowances or tax credits Gift Aid donations can sometimes increase their entitlement. There is a limit to the amount of gift aid that can be claimed on a person's donations and that is the total amount of tax they have paid during the year.

