

What is Payroll Giving?



Produced by Cancer Research UK on behalf of the Chartered Institute of Payroll Professionals

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Payroll Giving is a simple and tax-efficient scheme that allows employees to regularly donate to charity directly from their salary. Employees can donate any amount to any UK registered charity or charities, making Payroll Giving a flexible way to give. Whatever the size of your business, Payroll Giving is quick, easy and free of charge to put in place. Plus, it helps raise millions of pounds a year for great causes. When you get started with Payroll Giving, you'll help make payday even better.



How does Payroll Giving work?

Once your Payroll Giving scheme is set up, employees can sign up to donate. Each payday, their chosen donation amount will be taken directly out of their gross salary by your team, the payroll department. The donation is taken after National Insurance is deducted, but before tax. This means that their donation will cost them up to 45% less through the tax break - better than Gift Aid. As you'll see from the table below, Payroll Giving makes donations go further.

All employees' donations are sent by the payroll department to a Payroll Giving Agency (PGA) who will handle the transfer of the funds to any charity your employees have chosen to support.

Why offer Payroll Giving?

Payroll Giving benefits everyone: businesses, employees and charities. Being socially responsible has never been more important, which is why more employers than ever are implementing Payroll Giving schemes.

Donation amount	Charity will receive		
	20% tax payer	40% tax payer	45% tax payer
£10	£12.50	£16.67	£18.18
£25	£31.50	£41.67	£45.45
£50	£62.50	£83.33	£90.91

What are the benefits?



Benefits for your business:

- **Unite your team:** Payroll Giving unites employees under a collective aim, no matter who they choose to donate to.
- **Cost-effective corporate social responsibility (CSR):** It's easy to set up, with minimal fees and administration requirements. What's more, your set up and running costs are deductible from corporate tax liability.
- **Recognition:** The Quality Mark Scheme and National Payroll Giving Excellence Awards recognise your business' commitment to giving back through Payroll Giving. Learn more in our factsheet **How to promote Payroll Giving in your workplace.**



Benefits for charities:

- **Regular income:** Reliable income allows charities to plan ahead and budget for the future.
- **Higher gifts:** Since donors benefit from tax-relief, many are encouraged to give a little more than they might otherwise.
- **Matching:** Employer matching is both a great incentive for employees to sign up and extra income for charities.
- **Less admin:** Since the tax saving is already applied, charities don't need to claim Gift Aid, saving them time on administration.



Benefits for individuals:

- **Good value:** Payroll Giving is the only way to give that allows full tax relief on donations. In some cases, it may move a donor to a lower tax bracket.
- **Flexible:** Donors can give any amount, to any UK registered charity or charities they choose.
- **Secure:** No bank details are required, and donors can choose how their chosen charity(ies) contacts them.
- **Great for busy people:** Running marathons and baking cakes isn't for everyone. Payroll Giving is ideal for busy people who prefer something easy.



Benefits for you:

- **Feel good factor:** By facilitating Payroll Giving through your payroll department, you'd be helping great causes every payday. That's something to feel good about!
- **Professional development:** Setting up and promoting Payroll Giving is a great way to build new skills, meet colleagues from across your workplace and enhance your CV.

Learn more about Payroll Giving

Download the other guides in this series:

- How to introduce Payroll Giving in your workplace
- How to promote Payroll Giving in your workplace

Questions?

Email payrollgiving@cancer.org.uk and one of the Cancer Research UK team will be happy to help, or visit cruk.org/payroll-giving