



**GIVE AS YOU EARN**

**EMPLOYEES GUIDE**

**100**  
YEARS OF **CAF**

## WHAT IS GIVE AS YOU EARN?

Give As You Earn offers a fantastic opportunity for employees to support the charities they are passionate about. It is a highly tax efficient way of giving because donations are taken from pay or company/personal pension after your National Insurance contributions are removed, but before Income Tax is calculated and deducted. This means you get tax relief, depending on the rate of tax you pay.

### **BENEFITS FOR CHARITIES**

This method of giving provides a dependable source of income that enables charities to set effective future plans and concentrate on achieving their charitable goals. Additionally, it simplifies the administrative burden for charities as they don't need to claim Gift Aid, allowing them to focus more on supporting good causes.

Charities Aid Foundation (CAF) is the organisation your employer uses to provide you with payroll giving. We've been running our payroll giving scheme, Give As You Earn, since 1987 – and we're the largest Payroll Giving Agency in the UK.

# TAX BENEFITS EXPLAINED

## HOW GIVE AS YOU EARN WORKS

Give As You Earn is available if you are an employee on Pay As You Earn (PAYE) or a salaried pensioner.

Donations are taken from your salary or pension after your National Insurance contributions are removed but before Income Tax is calculated and deducted.

If you are a 20% taxpayer, 80% of your donation amount will be taken from your salary and 20% will be taken from the tax which would have gone to HMRC.

This means your tax is calculated on a lower amount. This could change your tax bracket and lower the amount of tax you pay.

A £20 donation would cost:	A £50 donation would cost:	A £100 donation would cost
• £16 as a 20% taxpayer	• £40 as a 20% taxpayer	• £80 as a 20% taxpayer
• £12 as a 40% taxpayer	• £30 as a 40% taxpayer	• £60 as a 40% taxpayer
• £11 as a 45% taxpayer	• £27.50 as a 45% taxpayer	• £55 as a 45% taxpayer

Donations can be given monthly or as a one-off. You may like to make additional donations at bonus time or at the end of the tax year.

Give As You Earn donations are treated with the appropriate pre-tax savings which removes the need to claim Gift Aid, saving the charity the administrative burden.

“I signed up to Give As You Earn straightaway. It’s a very good benefit as I don’t have to actively think about donating every month, it just comes out of my payroll automatically. Because it is tax-effective, I can afford to give more to charity, and Landsec also provide a top-up equal to 20% of the amount we donate.”

**ZOË PRITCHARD**

*Landsec*

## DONATIONS EXPLAINED

### HOW YOU CAN DONATE

You can donate straight to your favourite charities or into a CAF Charity Account, where you can accumulate your donations and disburse them as and when you'd like.

### WHERE YOU CAN DONATE TO

You can donate to any UK charitable organisation, including organisations registered with the Charity Commission and unregistered charities recognised by HMRC as charitable, such as:

- Churches
- Health authorities
- Hospitals (not private)
- Scout and Girl Guide groups
- Universities and schools
- Parent Teacher Associations
- Community groups

The funds cannot be used to pay for products or services.

“As someone who works in the finance industry, I believe it's essential to use our resources to make a difference in the world. Give As You Earn offers several benefits, including savings for both the employee and the charity.”

**WOLFIE PAPIRNIK**

*RBC Brewin Dolphin*

## CHARGES EXPLAINED

### HOW OUR CHARGES ARE CALCULATED

We charge for the cost of administering Give As You Earn and charges are based on the value of your donations made between 1 May and 30 April (CAF's financial year).

For donations sent straight to charities, we charge 4% of the donation (not subject to VAT), based on:

- A minimum of 25p per donation per your pay period
- A maximum of £10 per donation per your pay period

For donations into a CAF Charity Account, we charge based on the value of donations (not subject to VAT) according to the following rates.

	CUMULATIVE PAYMENTS INTO CAF CHARITY ACCOUNT EACH FINANCIAL YEAR	CONTRIBUTION PER CAF FINANCIAL YEAR
Band 1	First £150,000	4.00%
Band 2	£150,000.01 - £250,000	3.00%
Band 3	£250,000.01 - £750,000	2.00%
Band 4	£750,000.01 - £1,000,000	1.00%
Band 5	£1,000,000.01 - £2,000,000	0.50%
Band 6	£2,000,000.01 - £3,000,000	0.10%
Band 7	Above £3,000,000.01	0.05%

If you donate £10 each month, your donations over the financial year would be £120. This falls under Band 1, so a 4% fee applies. Fees deducted over the year would be £4.80, equivalent to 40p per month. Your account statement will show the fee amount deducted each time you make a donation.

If your employer covers the fee, the amount is deducted from your account and then credited back.

# 100 YEARS OF CAF



## GET IN TOUCH

If you have any questions about Give As You Earn get in touch with our customer service team at [giveasyouearn@cafonline.org](mailto:giveasyouearn@cafonline.org)

