

# Gift Aid

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## What is Gift Aid?

Gift Aid is a tax relief for charities in the UK to increase donations – at no extra cost to the donor. When a charity receives a donation from a UK taxpayer, the organisation is entitled to claim an extra 25% paid on that donation.

A £10 donation processed with Gift Aid becomes a £12.50 donation.

## What do donors need to do?

Donors need to #tickthebox on the Gift Aid declaration form and provide some basic personal details, and the charity can claim 25p for every £1 given.

Once a donor has given their permission by filling in the Gift Aid declaration form, there is no need for them to do anything else

## Who qualifies to donate through Gift Aid?

For charities to claim Gift Aid on a donation, the donor must have paid UK income tax or capital gains tax that tax year, at least equal to the tax that the organisation will reclaim on the individual's donations.

Even if the donor is not currently employed they are eligible to make Gift Aid payments so long as, at some point in the tax year in which they make the donation, they pay enough tax on any of the following:

- Personal or occupational pension
- Stocks or shares
- Bank or building society savings accounts
- Rental income
- Overseas or UK investment dividend

## Higher rate tax payers .

Higher rate tax payers are entitled to claim the difference between the top rate of tax they pay, and the basic rate on the total value of the donation. Individuals can claim the additional tax relief through their self-assessment tax return or by asking HMRC to amend their tax code.