



All Saints Church

W O K I N G H A M

HOW HIGHER-RATE TAXPAYERS CAN *REALLY* USE GIFT-AID

Higher-rate taxpayers can use the gift-aid rules to give even more to All Saints, or to enable your giving not to cost you as much as you think.

You probably already know that All Saints (or any other charity) can reclaim from the government 25% of the value of any gift you make. But if you pay income tax at the higher rate and if you declare this on your income-tax form you can claim back 25% of the gift.

Suppose you make an annual gift of £1000. If your tax rate is 40 per cent, you can claim back £250 of that from the government. So you can see that your gift of £1000 need actually only cost you £750. It's crazy not to take up this government facility.

How to claim

If all of your income is dealt with under PAYE you can simply telephone your usual tax office and ask them to adjust your PAYE code in order to give you your personal tax relief. You can do this even if you normally complete a self assessment return.

If you make a self assessment return, make sure that you enter your charitable donations onto the return. Your claim will then be processed. If you don't receive a tax return, you can ask HMRC to send you a form P810 to make your claim, by calling 0300 200 3300.

A few remarks

Past years. If all this is news to you and you realise that you have been a higher-rate taxpayer for years without reclaiming the rewards, you can ask for a re-calculation of your tax affairs going back five or six years (once you have supplied the details to HMRC).

Not a fiddle. Superficially this might sound as though it's 'dodgy', or like a tax fiddle. But it is not; it is part of government policy to support charities. .

Be careful of the margins. If you are only just into the 40% tax bracket, take care because you may find that not all your donation counts at the higher rate. Ask us for more information on this.

Advice. We have carefully checked the statements in this leaflet, but we are not taxation experts and if in any doubt you are advised to consult HMRC's website or your own financial advisor, particularly since tax return practice is changing to quarterly.

Caveats. All the numbers in this leaflet are rounded for simplicity. They assume that the rates of tax remain at 20% and 40% and that the relevant legislation remains unaltered.

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