

Gift Aid explained

You can increase the value of your support to St. Joseph's, at no cost to yourself, by allowing us to claim the tax back on your donations. If you are a UK taxpayer, simply Gift Aid your donations and then for every £1 given, St Joseph's can receive an extra 28p.

Who can Gift Aid their donations?

A parishioner can use Gift Aid if the amount of tax they have paid in the tax year of the donation is sufficient to cover the amount of tax we will reclaim against that donation. The tax paid may be Income Tax, Capital Gains Tax or tax credits on UK company dividends. The tax year starts on the 6th April and runs until 5th April the following year.

UK residents can pay tax in many ways. You may for example:

- Pay tax on your wages / salary before you receive it
- Fill in a Self Assessment tax return form each year
- Have taxable savings, a pension or income from investments
- Have had to pay capital gains tax recently.

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You must pay at least the same amount of tax as St. Joseph's will reclaim in Gift Aid in any tax year. For example: if you make a donation of £100, St. Joseph's will reclaim £25 in tax from HM Revenue & Customs (HMRC) so you must have paid £25 in tax during the tax year.

What do I need to do?

All you need to do is to advise Fr. McGrorry of your National Insurance Number – this can even be done by telephone! This will cover all donations that you have made to St. Joseph's in the last 6 years and any that you choose to make in the future. A set of coloured envelopes can be provided if required.

How it works?

Gift Aid works by allowing charities to reclaim tax on a donation's 'gross' equivalent (its value before tax was deducted) at the basic rate, currently 20%.

In practice this means that for every pound donated to St. Joseph's using Gift Aid, we can claim a further 25p from HMRC.

In addition, HMRC will automatically pay St. Joseph's a further 3p for every £1 Gift Aid donation we receive between 6th April 2008 and 5th April 2011; this transitional relief has been provided by the Government to allow charities to adjust to the fall in basic rate tax (from 22% to 20%) from 6th April 2008. In total then, for every pound donated under the Gift Aid scheme, we continue to receive a further 28p until 2011.

Higher rate taxpayers

Whether you are paying tax at the higher rate of 40%, or at the basic rate of 20%, St. Joseph's still benefits from an extra 28p for every £1 given.

A higher rate taxpayer who makes donations through Gift Aid can personally claim back the difference between the higher rate of tax at 40% and the basic rate of tax at 20% on the total value of their donation (the 'gross donation').

For example, if you donate £500, the total value of your donation to St. Joseph's is £625 and so you can claim back 20% of this, i.e. £125 for yourself.

You can make this claim on your Self Assessment tax return, or simply advise HMRC and have the higher rate relief reflected in your PAYE tax code.

Non taxpayers

If you do not pay tax, you should not use Gift Aid.

Tax Credits and Gift Aid

Tax credit claimants who make donations under the Gift Aid scheme may be unaware of the impact on their tax credit award. Gift Aid donations paid during the tax year may be deducted from income for tax credit purposes – thus potentially increasing a claimant's tax credit award.

What if I no longer pay tax or have moved?

If your circumstances change and you no longer pay enough income or capital gains tax to cover the amount claimed by St. Joseph's, you can cancel your declaration by contacting Fr. McGrorry. Your declaration will then not apply to donations you make on or after the date of cancellation or such later date as you specify.

Please also contact Fr. McGrorry if you have moved address.

If I complete a Gift Aid declaration, does that commit me to giving money for a certain period?

Absolutely not! It just means that if you give any amount to St. Joseph's, we can claim back an extra 28p for every £1 you donate from HMRC.

Is it really that easy? What's the catch?

There's no catch – honest!

You just complete a Gift Aid declaration. Then if you choose to give to St. Joseph's in the future, we will be able to claim more money from the taxman, without costing you a penny extra.

Need more information?

See the website link "Giving to charity through Gift Aid" at:

<http://www.hmrc.gov.uk/individuals/giving/gift-aid.htm>