



**forget
me
not
children's
hospice**

Charity No. 1110457



PAYROLL GIVING

make a difference
every pay day.

FAQ's

How much will the scheme cost to set up?

Most employers say there are no identifiable costs in setting up a payroll giving scheme as you don't need to purchase any new software.

What is 'matched giving'?

Matched giving is a powerful and popular way of encouraging employees to sign up to Payroll Giving. Companies have the option to boost employees' donations (this doesn't have to be like for like - you might prefer to donate a set amount per employee each payday). You can also choose to donate a one-off amount when employees sign-up (as much, or as little as you wish). The employer's additional gift is then added to your employees' donations, giving employees an incentive to start Payroll Giving and make their charitable donations go further.

What role will my payroll department take?

Your payroll team will play an integral part of the scheme, with minimal effort. All modern payroll systems can implement Payroll Giving easily, usually through a simple 'tick box' option. Once your employees have signed up, your payroll department will deduct the donations each payday (whether weekly or monthly). The total sum of donations from all employees will then be sent to your PGA. Your PGA will be on hand throughout the process to help answer any questions your payroll department may have.

How flexible is payroll giving for my employees?

The scheme is as flexible as your employees want it to be. They can increase, decrease, start or stop their donations at any time. Another benefit of the scheme is that donations can be made to one or more charities – all they need to do is specify which charities they would like their donations to go to.

What's the difference between payroll giving and Gift Aid?

Both payroll giving and Gift Aid offer a tax incentive. However, Gift Aid is capped at 25% and the charity must claim the donor's tax back from HMRC. With payroll giving, the tax saving for higher rate tax payers is greater than Gift Aid. Also, charities receive donations that already include the tax relief, which is more efficient because it saves on administration time.

Why do we need to sign a PGA Contract?

A contractual agreement will secure your working relationship with a PGA and provides HMRC with the necessary audit trail for pre-tax payroll deductions. The contract authorises the employer to commence deductions.

How do I choose a PGA?

There are a number of HMRC registered PGAs to choose from. A list of PGAs is available at www.gov.uk/government/publications/payroll-giving-approved-agencies. Once you have chosen a PGA, download a copy of their registration agreement from their website or call them and they will send one to you. All you have to do is fill it in and return it to them. If you need help choosing then we are happy to assist.

How are funds transferred via PGAs?

All funds are sent to your PGA by your payroll department and these are then transferred to your chosen charity(ies). They take a small admin fee – usually around 4% – a tiny fraction when you consider the amount of tax HMRC would take.

How much do PGAs charge?

Most PGAs make a small administration charge (0-4%) which is deducted from the employee's donation before being sent on to the charities. A growing number of employers choose to pay the administration charge on behalf of their employees.



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