

Gift Aid

1. Individuals are able to claim higher rate relief on cash gifts and payments to charities under gift aid. Basic rate tax is treated as having been deducted, so you must pay enough tax for the year to cover the tax withheld from your Gift Aid payment.

2. Special tax reliefs apply to gifts to charities of certain types of shares and securities, or land and buildings.

3. Individuals have the opportunity to make a claim for charitable donations made in one tax year to be treated as if they had been made in the previous tax year. For example, a request could be made for Gift Aid payments made between 6 April 2016 and the date that the 2016 return is filed to be treated as if they were made in the year to 5 April 2016. This would mean that a payment could rank for higher rate tax relief for 2015/16, even if the donor is liable at basic rate only in 2016/17. The request would normally be made by completing the relevant box in the 2016 tax return, and the opportunity to carry back donations is lost once that return has been filed (provided this is no later than 31 October 2016 or 31 January 2017, as appropriate). It is not possible to amend the 2016 tax return in order to carry back a donation.

Give As You Earn

1. Employees may authorise participating employers to deduct donations from their gross salary for forwarding to their nominated charities.

2. Employees receive tax relief in full on their donations.