

## Gift Aid – Your questions Answered

### ***What is Gift Aid?***

The Government introduced the Gift Aid scheme on 6<sup>th</sup> April 2000 to provide a simple and effective way for registered charities to recover from the Inland Revenue the tax paid by donors on giving from tax-paid income.

### ***How does Gift Aid affect me?***

If you do not pay any of the following:

- + income tax
- + tax on investments
- + capital gains tax

then you are not affected at all. You do not qualify for tax to be reclaimed on your donation.

PLEASE DO NOT fill in a Gift Aid form.

### ***I pay tax, so what do I need to do?***

You are required to make a declaration that you are a tax payer and that IcfEM-Mission (Europe) Charitable Trust is authorized to make a claim for tax relief on any donations you make to the Trust up to your taxation limit.

### ***I only pay a small amount of tax, so how am I affected?***

Provided you pay any of the forms of tax mentioned in the previous question, then the IcfEM-Mission (Europe) Charitable Trust can make a tax claim. The amount that can be claimed on your donations in one year may not be more than the amount of tax which you pay during that year.

### ***How to make a declaration?***

There are two ways to make a declaration. You may either complete a declaration form, which we will supply, or you may make a verbal declaration. If you make a verbal declaration you will receive a confirmation letter from the IcfEM-Mission (Europe) Charitable Trust and you will be entitled to a 30 day 'cooling off' period.

### ***How much tax relief can IcfEM-Mission (Europe) Trust claim?***

This varies with current legislation but at present (July 2011) the basic rate tax is 20 per cent, so this means that if you give £10 using Gift Aid, it's worth £12.50 to the charity.

For full information please see the HM Revenue & Customs web site at :

[www.hmrc.gov.uk/individuals/giving/gift-aid.htm](http://www.hmrc.gov.uk/individuals/giving/gift-aid.htm)

### ***I am a higher rate taxpayer. What is the implication for me?***

This varies with current legislation but at present (July 2011) if you pay higher rate tax, you can claim the difference between the higher rate of tax 40 and/or 50 per cent and the basic rate of tax 20 per cent on the total 'gross' value of your donation to the charity or CASC.

For example, if you donate £100, the total value of your donation to the charity is £125 - so you can claim back:

- £25 - if you pay tax at 40 per cent ( $£125 \times 20\%$ )
- £37.50 - if you pay tax at 50 per cent ( $£125 \times 20\%$ ) **plus** ( $£125 \times 10\%$ )

You can make this claim on your Self Assessment tax return, if you were sent one. For more information see section below 'Telling HMRC about your Gift Aid donations'.

### ***What happens if I cease to pay tax?***

Just make the Trust aware of this and the records will be amended so that no claim is made to the Inland Revenue.