

Everything you want to know about Gift Aid

What is Gift Aid?

Gift Aid is one of the easiest ways to make your donations go further. It means we can reclaim the basic rate of tax from HMRC. There is no extra cost to you and the process is simple – all you need to do is make a Gift Aid declaration.

What is a Gift Aid declaration?

A Gift Aid declaration is a statement by an individual taxpayer that they want a charity to claim from HMRC the tax paid on their donation. This is a great way to add 25 % to the value of your gift to Off The Record Counselling Service without it costing you a penny more.

For example,

- Counselling session donation you pay = **£20**
- Counselling session donation if you say yes to Gift Aid = **£25**
- Cost to you = **£0!**
- Benefit for OTR = **£5!**

What does the Gift Aid declaration commit me to?

For every £1 you donate to OTR in a financial year (from 6 April to 5 April the following year), you must have paid 25p in income or capital gains tax in the same financial year to qualify for Gift Aid.

If you have made a Gift Aid declaration, we ask that you let us know if you cease to pay enough income tax and/or capital gains tax to cover the amount we will claim from HMRC on the donations you make. Also, please let us know if you change your name or address.

Do I qualify for Gift Aid?

You must be a UK taxpayer and pay enough in income tax and/or capital gains tax to cover the amount OTR will reclaim in the tax year (from 6 April to 5 April of the following year). Inheritance tax, council tax, and VAT do not qualify for Gift Aid.

How do I know if I pay UK Income or Capital Gains Tax?

You pay these taxes if:

- income tax is taken from your wages or salary before you receive your pay.
- you pay tax after filling in a self-assessment form each year.
- you have any taxable savings (in building society, for instance), or a pension plan or investment income.
- you have paid any capital gains tax on the sale of a property or some shares, for example. Inheritance tax, council tax, and VAT do not count as income or capital gains tax.

Why does it work out at 25 pence for every pound given?

Although the basic rate tax is currently 20 %, the donation for £1 is treated as the net after tax from £1.25 (£1.25 minus 20 % is approximately £1), we can therefore reclaim 25p.

What if I don't pay UK Income Tax / Capital Gains Tax?

Unfortunately, you are not able to make a Gift Aid declaration.

What if I'm a pensioner?

You may still pay tax on a private pension plan or a savings account. If you sell property or shares, you will also pay capital gains. If so, you can Gift Aid too.

What if I'm a higher rate taxpayer?

OTR can only directly claim back at the basic rate, but please complete and return the declaration anyway. As a higher rate taxpayer, if you declare your donations on your tax return, you can claim a rebate based on the difference between the higher rate and the basic rate when you fill in your self-assessment form.

What if I'm a lower rate taxpayer?

If you pay a lower rate (10 % or 20 %), OTR can still claim back 25p for each £1 you donate, provided you pay enough tax to cover the claim in the tax year you make the donation.

How long does the declaration last?

After you sign up for Gift Aid it normally covers past, present, and future donations. We can back-claim for four years and we'll continue to do so until you ask us not to, so please let us know if anything changes.

Who will have access to this information about me?

Only OTR and HMRC. We won't share it with anyone else.

What should I do if my tax status changes or if I want to cancel my declaration?

Please let us know by contacting us in one of the following ways:

- Email: info@otr-norfolk.org.uk
- Informing your counsellor when you attend your session.
- Telephone: 01603 626650

That sounds great, I want to make a Gift Aid declaration how do I do it?

To make a Gift Aid declaration you can do one of the following.

- Tick the box for Gift Aid when you complete the online enquiry form.
- Ask your counsellor for a Gift Aid declaration form.
- Email: info@otr-norfolk.org.uk and ask to have one sent to you.