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Gift Aid and tax efficient giving - FAQs

In the past year, Performances Birmingham Ltd reclaimed over £10,000 in Gift Aid. Please help us increase the value of every donation you make, 25p for every £1 at no extra cost to you. If every charity supporter were to give their donations tax-effectively, charities could claim an estimated additional £900 million from HM Revenue & Customs (HMRC) each year!

Providing you are a UK taxpayer, you could boost your charitable donations just by giving in a tax-efficient way. If you are unsure about anything, please don't hesitate to call Sally Pennington, Development Manager (Individual Giving) on 0121 644 5072 or via email at sally.pennington@thsh.co.uk.

1. What is Gift Aid?

Gift Aid is one of the simplest and most effective ways of giving to charity. It is a scheme introduced by HM Revenue & Customs, which allows us to reclaim the basic rate tax you pay as a UK taxpayer. It means that for every £1 you donate we can claim an extra 25p of tax, at no extra cost to you. All that is required from you is a one-off declaration, which you can give by simply ticking a box on a form, online or by agreeing over the phone, and we'll do the rest.

When you donate to us you will be asked to declare that you qualify for Gift Aid, from time to time you may be asked to update your status, just in case something has changed. You can make sure we have your declaration by downloading a copy of the form from www.thsh.co.uk and sending it to: The Development Department, Symphony Hall, Broad Street, Birmingham, B1 2EA. Please remember to let us know of any changes to your tax status, including changes to your name and address. You can contact us at any time by emailing sally.pennington@thsh.co.uk or call us on 0121 644 5072.

2. Do I qualify for Gift Aid?

Gift Aid can apply to donations of any amount made by an individual, large or small - it all adds up! You can Gift Aid your cash, cheque, postal order, direct debit, standing order and bankcard donations.

To qualify for Gift Aid, you need to be a UK taxpayer and to have paid income tax or capital gains tax that is at least equal to the amount of tax that all the charities and Community Amateur Sports clubs you give to will claim on your Gift Aid donations in the year that they are received. Please note that other taxes such as Council Tax and VAT do not count for Gift Aid purposes.

Tax is claimed at the basic rate of 20% (which is 25% on the net value of your donation). This means that under Gift Aid for every £1 you give, Performances Birmingham Ltd can reclaim at least an additional 25p from HMRC.

If you are unsure whether you are eligible, or simply want more information, contact HMRC directly by calling their Gift Aid helpline on 0151 472 6038 or visiting <http://www.hmrc.gov.uk/>

3. Do I need to make a separate Gift Aid declaration for each tax year?

No, you only need to make a declaration once. We will keep this declaration as your enduring permission to claim Gift Aid tax relief on all donations you have made in the previous four years, the current year, and any donations you might make to us in the future.

If you have not paid enough tax to cover in the past, or your tax status changes in the future, then please do let us know. You can contact us at any time by emailing sally.pennington@thsh.co.uk or by calling 0121 644 5072.

4. What if I pay a higher rate of tax?

If you are a higher rate taxpayer we are still only able to claim the basic rate of tax on your donation. However, you are able to reclaim the difference between the amount we reclaim and the 40% you pay yourself through your annual tax return.

5. What if I stop paying tax? Can I withdraw the declaration?

You can cancel the declaration at any time by emailing your full name and address, including your postcode, to sally.pennington@thsh.co.uk or by telephoning us on 0121 644 5072.

6. I am a pensioner, do my donations qualify?

As long as you have paid enough tax during the year to cover your donations, i.e. 25% of the value of your gift, you can Gift Aid your donations. As a pensioner you may still pay tax on a private pension plan or savings account, or you may pay capital gains tax if you sell a property or shares. Income from state pensions alone is unlikely to qualify as you would need to earn above the personal allowance threshold to pay income tax. If this is your only source of income, we would always advise that you check with your tax office before completing a declaration.

7. Is there any extra paperwork for me to complete?

No. We reclaim the tax directly from HMRC; you just need to tick the box on the form to confirm you are a UK taxpayer. However, you may wish to keep a record of donations you make to charity in each tax year, to ensure that you continue to pay enough tax to cover the payments you make under Gift Aid.

8. Does my declaration cover all donations I have ever made to you?

We only have four years in which to claim the tax relief on your donations, so if donations you have made go back further than 4 years, we will only apply the tax relief to donations within the allowed period as set out by HMRC.

9. Do I need to declare anything in my tax return in relation to gifts I have already given?

No. You only need declare gifts made in the current tax year - as although the charity can claim back the tax on donations received up to four years ago - you can normally only benefit from tax relief on donations made in the current period. Please speak to your tax office if you are in any doubt as to your entitlement.

10. Can I get in touch if I have any other questions?

If you have any further questions about Gift Aid - or if your circumstances change and you need to cancel the agreement - please contact us on sally.pennington@thsh.co.uk or you can call us on 0121 644 5072.