

# Tax effective giving illustration

For donors who are **not tax payers** and **standard rate** tax payers - 20%

Monthly Gift	Annual worth to the Appeal		Total worth to the Appeal over four years	
	Non tax payers	With Gift Aid	Not tax payer	With Gift Aid
<b>300</b>	3,600	4,500	14,400	18,000
<b>250</b>	3,000	3,750	12,000	15,000
<b>200</b>	2,400	3,000	9,600	12,000
<b>150</b>	1,800	2,250	7,200	9,000
<b>120</b>	1,440	1,800	5,760	7,200
<b>100</b>	1,200	1,500	4,800	6,000
<b>80</b>	960	1,200	3,840	4,800
<b>60</b>	720	900	2,880	3,600
<b>50</b>	600	750	2,400	3,000
<b>30</b>	360	450	1,440	1,800
<b>20</b>	240	300	960	1,200
<b>10</b>	120	150	480	600
<b>7</b>	84	105	336	420
<b>5</b>	60	75	240	300

For donors paying tax at the **higher rate** of 40%

Actual monthly cost to the donor	Amount of Standing Order	Annual worth to the Appeal	Total worth to the Appeal over four years
<b>250</b>	333	5,000	20,000
<b>200</b>	267	4,000	16,000
<b>150</b>	200	3,000	12,000
<b>120</b>	160	2,400	9,600
<b>100</b>	133	2,000	8,000
<b>80</b>	107	1,600	6,400
<b>60</b>	80	1,200	4,800
<b>50</b>	67	1,000	4,000
<b>40</b>	53	800	3,200

For those paying tax at a rate higher still, the tax benefits are even greater and these change year by year.

## TAX EFFICIENT GIVING

As a registered charity Nottingham Diocese will be able to reclaim tax at the basic rate on all donations made under the Gift Aid scheme. This increases the value to the Appeal and decreases the cost to the donor. With the basic rate of tax at 20%, the Appeal will receive £2.50 for every £1 donated, at no extra cost to the donor. A higher rate taxpayer can also claim tax relief at the difference between basic rate and higher rate income tax on the total value of a donation. This applies to both the amount donated *and* on the tax the Appeal can reclaim. After a higher rate taxpayer has claimed this tax relief, a gift will have cost the donor only 55 or 60% of its value to the Appeal.

## WAYS TO GIVE

**Pledge** - Giving by pledge under the Gift Aid scheme is usually the most efficient way of contributing, because it spreads the contribution over a number of years. This both helps to make a larger gift affordable and enables the Appeal to predict **its** future income with a higher degree of certainty. There is no minimum period for a covenant, but we hope you will consider a four -year covenant since it enables a significant sum to be given by means of quite modest payments.

**Single Gifts** - For those able to make a significant lump sum payment, giving by Gift Aid is the tax efficient way of contributing one or more gifts. The tax advantages are the same as for Gift Aid covenants, meaning that your gift increases in value to the Appeal by a quarter at no extra cost to you. Cheques should be made payable to the Sick and Retired Priest Fund/Retired Priests Appeal

**Shares, Land and Buildings** - Donations of shares, land and buildings, whether by an individual or a company, are not only exempt from capital gains tax, but also allow the donor to claim income tax or corporation tax relief on the current market value of the gift. A higher-rate taxpayer donating shares bought for £25,000 and now worth £50,000 could save up to £7,000 (capital gains tax exemption @28%) and £20,000 in income tax relief.

**Donations by Companies** - Companies can claim corporation tax relief on all donations to charities, including donations spread over a number of years.

**Other** - Direct transfers of assets such as works of art do not incur capital gains tax. All outright gifts, including bequests, are exempt from inheritance tax. Donations through trusts and foundations are another way of making both single and spread gifts. While there is no tax recoverable, spread gifts through trusts again mean that significant sums can be given through modest regular payments.

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