

# giftaid it

## Q&As

If Gift Aid is new to you, here are some frequently asked questions - with answers.

### **How do I make my donation tax-efficient?**

If you are a **UK taxpayer**, paying income tax and/or capital gains tax, you can make your membership subscription worth 25 per cent more, at no extra cost to you.

This means that for the £12 membership subscription you have paid this year, EU3A can claim Gift Aid tax relief of £3 from the Inland Revenue, effectively turning your £12 payment into £15.

### **What are the relevant taxes?**

Income tax and Capital Gains Tax qualify. HM Revenues and Customs require that we point out to you that Council Tax and VAT do not qualify for Gift Aid.

### **How do I know if I pay enough tax to qualify?**

The amount of tax you pay in the tax year should be at least equal to the amount of tax that EU3A will claim. On the current membership subscription rate a single member would need to pay £3 in tax in each tax year, **if** EU3A is the **only** charity where you have made a Gift Aid declaration.

### **I have made other gift aid declarations, can I still make one for EU3A?**

If you have other gift aid donations, as many members will, you need to ensure that the tax paid on your total gift aid donations is at least equal to the amount of Income Tax (or Capital Gains Tax) you pay.

So if you gift aid your donation to another charity, say the National Trust where your annual fee is £20, you would add the £5 the National Trust will claim back from HMRC to the £3 EU3A will claim back.

In this example you would need to pay £8 in tax.

### **Where do I find out how much Income Tax I pay?**

Many people receive a P60 every year totalling tax paid from their occupational pension provider or employer.

## **I know that I have made a few Gift Aid declarations but have not kept a record. Is this a problem?**

Most of us are in the same boat. However, as you can see from the examples above, you would require to make £400 worth of donations for the tax relief to be equivalent to £100.

## **What is the tax year?**

6 April to 5 April

## **What if I pay the higher rate of income tax?**

Even if you pay tax at the higher rate of 40 per cent, EU3A can still only reclaim tax at the basic rate. The benefit to EU3A works out at 25p for every £1 you give.

When you complete your annual self assessment form you can record all of the Gift Aid declarations you have made and this would allow you to reclaim the remainder.

## **I only pay capital gains tax. Can I still Gift Aid my membership?**

Yes, as long as you have paid enough tax, in this tax year to match the tax any charities your support will reclaim.

## **How do I know whether I pay Capital Gains Tax?**

Members in this category will have made an application so will be aware.

## **What if I no longer want EU3A to claim back the tax on my donations?**

Just let us know and we will make sure that tax is only reclaimed on your membership subscription up to the date you contact us. Email [treasurer@edinburghu3a.org.uk](mailto:treasurer@edinburghu3a.org.uk) or call 0131 447 2802.

## **What if I move house?**

Please let EU3A know if you move house or if any of your details change, to help us keep records up-to-date.

## **What if the amount of tax I pay changes?**

As long as the total amount of tax you pay each year is more than or equal to the tax that EU3A and other charities will reclaim, currently 25p for every pound given, your gift will still qualify for Gift Aid. If you **stop** paying tax, please let EU3A know and we will cease reclaiming tax on your donations from the day you contact us.