

## **About Gift Aid**

UK charities are entitled to 28% tax reclaim from the Inland Revenue on every £1 donated by UK taxpayers.

### **How does Gift Aid work?**

Gift Aid is one of the easiest ways to make your donation tax effective. The MDIRF reclaims the basic rate tax from the Inland Revenue. There is no extra cost to you and the process is simple – all you have to do is make a Gift Aid declaration.

### **What is a Gift Aid declaration?**

It is simply a statement by an individual taxpayer that they want the MDIRF to get back from the Inland Revenue the tax paid on their donation. This is a great way to add 28\* per cent to the value of your gift to MDIRF without it costing you a penny more!

\*For any donations you make after 6 April 2008 it will be 25 per cent.

### **Gift Aid - do I qualify?**

For every £1 you donate to MDIRF in a financial year, you must have paid 28p\* in income or capital gains tax in the same financial year to qualify for Gift Aid.

\*For any donations you make after 6 April 2008 you must have paid 25p in income or capital gains tax in the same financial year to 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 a 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 instance

### **Why does it work out at 28\* pence for every pound given?**

Although basic rate tax is currently 22 per cent, the donation for £1 is treated as the net after tax from £1.28 (£1.28 minus 22 per cent is approximately £1). MDIRF get back the 28 pence.

\*When the basic rate tax changes to 20 per cent, the donation for £1 are treated as the net after tax from £1.25 (£1.25 minus 20 per cent is £1). MDIRF get back the 25 pence.

### **What if I don't pay UK tax?**

Then, unfortunately, you are not able to make a Gift Aid declaration

### **Can Gift Aid be applied to sponsorship?**

Yes, in most cases - If you are being sponsored or sponsoring someone else, please Gift Aid eligible contributions. Remember each sponsor needs to include their home address and postcode to enable MDIRF to reclaim the tax.

### **How long does the declaration last for?**

To simplify matters for both you and MDIRF, the declaration wording normally covers present, future and past donations. We are able to claim on any gifts made since the Gift Aid scheme was revised on 6 April 2000, as long as you are eligible.

### **Who will have access to this information about me?**

Only MDIRF and the Inland Revenue. We will not share it with anyone else.

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

Please let us know by contacting us

[Download Gift Aid declaration form](#) (Can we link to form)

[Click Here](#) for an overview of Gift Aid (link to Inland revenue info on gift aid)

### **Benefits to higher-rate taxpayers**

If you pay tax at the higher rate, you can reclaim tax relief on your gross donation at 18% (eg the difference between the higher rate of tax at 40% and the basic rate at 22%).

For example, if you give £100 we can reclaim an extra £28.21 for the charity and you can reclaim another £23.08. As a result, a £100 gift worth £128.21 to your favourite charity only costs you £76.92.

**If you require any help, information and sponsorship forms please contact Rosemary on 01726 813156 or [rosemary@mdirf.co.uk](mailto:rosemary@mdirf.co.uk)**