

# The Generous Giving Project

“Roll Up, Roll up! Free Money for your Church!”

## An Explanation of Gift Aid

### YOU MIGHT LIKE TO READ THIS IF...

- You’ve never heard of Gift Aid
- You’ve seen Gift Aid envelopes in church, but you’re not sure if you’re eligible to use them.
- You know just one person in your Parish who doesn’t understand Gift Aid.
- You think Gift Aid is great and such an obvious thing to do (you can be smug about all the things you already knew).

Here is an opportunity for you to increase what you give by 25% **FOR FREE**. If you’re eligible, missing this opportunity would be a big shame, and yet so many of us do miss out because we just don’t know.

Gift Aid is a scheme that allows churches to reclaim tax paid by donors on eligible donations. It’s a generous scheme offered by the UK government to encourage charitable giving. It’s well worth taking advantage of the scheme!

**HERE’S HOW IT WORKS:** Through Gift Aid you can increase **every** eligible donation to your church by 25% (that’s 25p extra for free on every £1 donated) at no extra cost to either you or your church.

Let’s say you pay basic-rate tax and you take £10 from your pocket and generously contribute it to your church’s fund. You already had to pay £2.50 tax on that £10 (you actually earned £12.50 which was taxed at 20% leaving you with £10 after-tax income). If you Gift Aid your donation of £10, your church can reclaim that £2.50 tax from the UK government and add it to your donation. So for every £10 you give to your church, your church actually gets £12.50; £10 from you and £2.50 from the taxman. It’s that simple. It almost seems too good to be true, but it IS true.

**WHAT IF I DON’T PAY TAX?** Your church can only reclaim tax on donations from people who have paid tax in the first place. Some people who are on low incomes or pensions will not be eligible to Gift Aid their donations. But don’t worry. Evidence shows that often, people who have the lowest incomes actually give the most proportionately. This was the case in the Jesus’ day too. Look up Luke ch. 21 vs. 1-4 for the story of the widow’s offering. Jesus said, “The plain truth is that this widow has given by far the largest offering today. All these others made offerings that they’ll never miss; she gave extravagantly what she couldn’t afford—she gave her all!” So if you don’t pay tax, *don’t worry*, what you offer is still very important to your community, whether the Government tops it up or not. Everything you contribute is a blessing.

**WHAT IF I PAY HIGHER RATE TAX?** Only basic rate tax can be reclaimed through Gift Aid, even if the donor is a higher rate taxpayer. However, there are opportunities for higher rate taxpayers to maximise the value of their donation to your church through Gift Aid. Check the Gift Aid website guide for higher rate taxpayers: <http://www.parishresources.org.uk/giftaid/>

**IN SUMMARY...** GIFT AID YOUR DONATIONS! It’s free money for your church. Spread the word, tell your friends, ask your vicar, seek out those gift aid envelopes, make sure your standing order is being gift aided. Let’s celebrate this wonderful free money for the mission and ministry and growth of our churches.