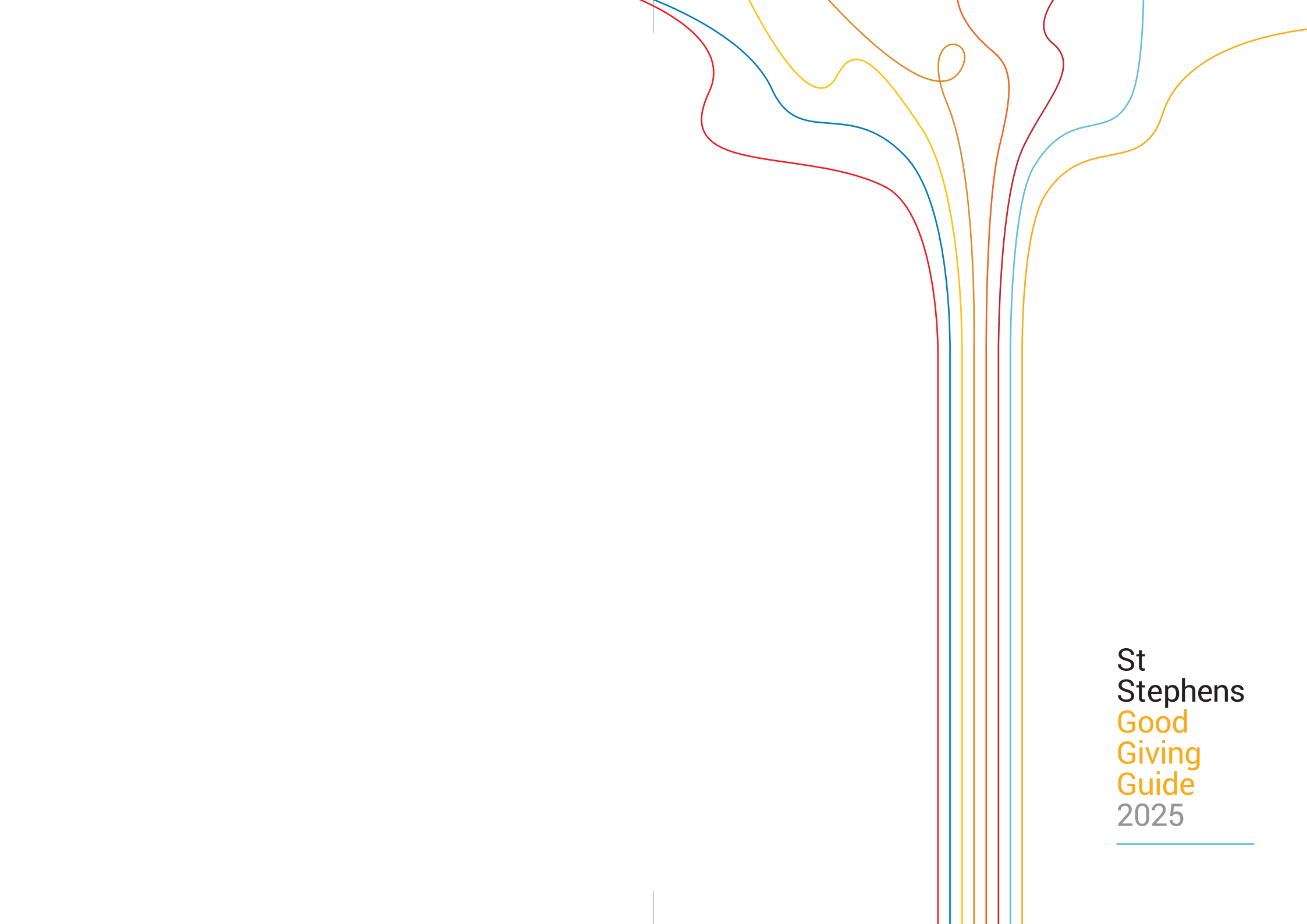

St Stephens Good Giving Guide 2025

What is the most helpful way to give?

What is the most helpful way to give towards expanding the vision at St Stephen's?

Please note: In no way would the Church discourage anyone from giving in a particular way that they are comfortable with. Giving may of course be in a form other than money; for example: time, prayer or resources. This guide concentrates only on ways to make tax efficient donations of money.

There are three main ways of giving to the work of St Stephen's:

1. Monthly standing order (preferred).
2. Online.
3. Gifts in church.

1. Monthly standing order (preferred)

• Complete a standing order mandate which provides an automatic payment directly into St Stephen's bank account each month of the £amount you have decided to give.

• Forms can be found on the table just inside the church door; or direct from the treasurer; or on the website: www.shottermillparish.org.uk under 'Giving to St Stephen's'.

• New or revised standing orders can be actioned in three ways:

1. Complete form and hand to treasurer.
2. Complete form and take into your bank.
3. Via Online Banking

When you setup a new standing order or revise an existing one, whether you bank online or deal direct with your bank, it would be helpful to email the treasurer: noelfairbairn@hotmail.co.uk

• Confidentiality is maintained – only the treasurer and his assistant have access to St Stephen's bank account.

• The huge benefit to St Stephen's is being able to plan its budget according to known regular income, so this is the treasurer's preferred method of giving.

• 25% of your giving can be reclaimed from HMRC if you are a taxpayer and sign a Gift Aid Declaration – to be found on the table just inside the church door; or from the treasurer; or printed from our website.

2. Online

• Go to : www.shottermillparish.org.uk/giving and click on the red 'give.net' icon to be directed to our secure fundraising page.

• Scan the QR code with your phone on the back of our weekly pew sheet.

3. Gifts in Church

• Cash in our perspex collection box at the back of church.

• Every £1 you are able to give makes a difference!

• This is the least tax efficient way of giving. Although HMRC allows St Stephen's to claim 25% of your cash donations under the Gift Aid Small Donations Scheme (GASDS), even if you don't pay tax.

• Tap to Give - Use our GoodBox machine in church for contactless payments.

• Scan the QR code on the back of the weekly pew sheet.

PLEASE NOTE - If you are a non taxpayer, then cash (notes/coins) really is the best way to give as we can claim an extra 25% from HMRC.

Other ways to give

There are also other ways of giving, for example:

• Give as you earn (GAYE) – if your employer operates a payroll giving scheme they will deal with the tax reclaim on your behalf; you can nominate St Stephen's as the charity recipient; sometimes employers will add a contribution to increase their employees donations; payments are send direct to the church.

• CAF Account or Trust – donations via Charities Aid Foundation, Stewardship (or similar or a private trust fund) where CAF deal with reclaim of tax on your behalf.

• Gift of shares, property, house, jewellery, foreign currency, gold/silver coins, medals, or other assets – most items of value can be given to benefit St Stephen's and in many cases this can be done free of income tax and capital gains tax. For example, you can claim income tax relief at 20% (basic rate) or 40% (higher rate) on the market value of shares gifted.

• Legacy in a new Will or Codicil to your existing Will – the interim treasurer, Noel Fairbairn, would be happy to explain Wills and the process without obligation if you are thinking about leaving a legacy to assist St Stephen's in the future.
A codicil is a simple one page addition to your current Will and the treasurer can explain and provide a template (and help you complete the form if required). Gifts under a Will or Codicil are exempt from Inheritance Tax

• Inheritance Tax - If you are likely to pay Inheritance Tax (IHT) on your estate, a clause leaving 10% or more of your net estate to St Stephen's (and/or other charities) reduces IHT from 40% to 36%.

Further help

If you would like to discuss any of the listed ways of giving or have any queries, please contact the interim treasurer, Noel Fairbairn. If you would prefer, he is very happy to visit you at home on a confidential no obligation basis and will help you complete any forms.

All donations are received into the church's general fund to be used where most needed to further the vision and work of St Stephen's.

From time to time you may be notified of fund raising or special collections for specific purposes within the church – extra money raised will then be set aside only for this designated purpose.

Tax Reclaim Guide

Reclaiming tax from HMRC is a simple, very valuable and completely legitimate way to increase your giving to help Church finances.

The following questions are answered below:

1. Do I pay tax?
2. What is a Gift Aid Declaration?
3. Why does HMRC repay tax?
4. How does tax reclaim work?
5. Do I pay enough tax?
6. What happens if I pay higher/additional rate tax?

1. Do I pay tax?

'Tax' means income tax (and capital gains tax). This includes:

- PAYE if you are employed.
- Income tax if you are self employed.
- Tax paid on investment income above your personal annual allowance.
- Tax deducted from state and private pensions.

Many people pay tax and never have to complete a Self Assessment Tax Return. If you are unsure whether you pay tax, the treasurer will be happy to advise.

If you are a non taxpayer, then there is no point in signing a Gift Aid Declaration – you have paid no tax so none can be reclaimed. However, although this seems strange, if a non taxpayer donates **cash** in church, the treasurer can claim Gift Aid under a HMRC scheme called 'GASDS' (Gift Aid Small Donations Scheme)

2. What is a Gift Aid Declaration?

A Gift Aid Declaration simply confirms that you have been paying tax and that you are happy for St Stephen's to reclaim this tax as Gift Aid on your donations.

Gift Aid forms can be found on the table just inside the church door; or direct from the treasurer; or printed from our website. The usual form is for regular taxpayers and, once signed, will be valid for the past four tax years and all future donations.

If you decide the usual form is not applicable to your circumstances because, for example, you pay tax in some years but not in others, then the form can be appropriately amended - please speak to the treasurer. Without a Gift Aid Declaration we cannot reclaim tax on your donations.

3. Why does HMRC repay tax?

The UK Government is keen to help finance charities, like St Stephen's, in recognition of their helpful activities, in our case within the Parish and local community and further afield through our Mission Partnership Team giving.

Tax is 'reclaimed' by the treasurer ie it has already been paid to HMRC by you and is simply being returned to St Stephen's. It is not an extra sum of money donated by the Government!

This is why it is very important that everyone who pays tax signs a Gift Aid Declaration so the treasurer can reclaim their tax.

4. How does tax reclaim work?

This is best explained with an example:

Mary knows she is a taxpayer as her total income comprising employment/pension/savings is over the annual personal tax-free allowance (2024/25=£12,570). For every £1.25 income she receives she pays basic rate tax of 20%. So she keeps £1.00, HMRC gets 25p.

Mary decides to give her £1.00 to St Stephen's and signs a Gift Aid Declaration. The treasurer can then reclaim from HMRC the 25p tax she has already paid. Easy! So for every £1.00 Mary donates St Stephen's can reclaim 25p = 25% of all her donations.

If Mary gives £50 per month by standing order, then her annual donation totals £600 – treasurer reclaims extra 25% (£150) - total gift is worth £750.

If Mary puts £10 per week in cash into the collection box, then her annual donation totals £520 – treasurer reclaims extra 25% (£130) - total gift is worth £650.

Tax reclaims can add up to a significant increase in giving for the church.

5. Do I pay enough tax?

HMRC will only repay tax that they have received in the first place!

So in the first example above, so long as Mary has paid £150 or more tax in the tax year (6th April to 5th April) in question, full reclaim is available.

If however she had only paid £100 tax, then either the reclaim is restricted to the amount paid £100, or she could be asked to pay £50 extra tax to HMRC to cover the £150 reclaimed by the church.

If you have signed a Gift Aid Declaration in the past it is important therefore to tell the treasurer if you stop paying tax or pay only a tiny amount – the wording on the Gift Aid Declaration reminds you of this. If you are in any doubt about the amount of tax you pay, the treasurer is happy to advise.

6. What happens if I pay higher or additional rate tax?

Some people pay higher rate tax of 40%, sometimes more.

Basic rate tax of 20% is reclaimed by St Stephen's as outlined above if you have signed a Gift Aid Declaration.

Higher rate tax of another 20% should be reclaimed from HMRC either via your SA Tax Return or direct from your tax office.

Taking the first example above: Mary is a higher rate taxpayer. For every £1.25 income she receives she pays tax of 40%. So she gets to keep 75p, HMRC gets 50p. Mary decides to give £1 to St Stephen's and signs a Gift Aid Declaration. The treasurer can then reclaim 25p as before (£1 x 25%).
Mary can claim back the other 25p already paid to HMRC either on her SA Tax Return or by contacting her tax office; usually this involves 25p being credited against the balance of her tax bill for the year in question.

Of course there is nothing to stop Mary making a further gift of this extra 25p to the church (on which further gift aid can be claimed!).
In summary – higher rate tax relief cannot be claimed by St Stephen's, only basic rate.

Contact

If you would like any further guidance or help, or have any questions on this Good Giving Guide, please speak to Noel Fairbairn, St Stephen's interim treasurer - noelfairbairn@hotmail.co.uk

Notes