

# Lump sum donation payroll scheme

Employer name

Nominated charity

By signing this form I authorise the above named to deduct the amount detailed below from my monthly salary.

I understand that by enabling the above Jersey charity to reclaim the tax back from the States of Jersey, my accumulated contribution, if over £50, can generate an additional 25 pence for every £1 I donate. I confirm that I am a Jersey taxpayer and have satisfied all the conditions stated below and wish the named Jersey charity to benefit from the lump sum donation scheme.

By signing this form I authorise the essential information (my name, address, tax reference number and the amount of my donation) to be sent to the charity and for the charity to send this information on to the Taxes Office so they can process the claim.

## Leaving the scheme

I understand that should my employment end, I can choose to either have the funds I have accumulated returned to me or have them donated to the nominated charity.

Should I wish to be removed from the payroll giving scheme I must inform the Human Resources department in writing, giving them sufficient notice before the next pay day.

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## Donation details

Employee tax  
reference

Employee name

Employee Address

Start date

End Date

Amount

Frequency

per month

per week

Signature

Date

*The amount that I donate each month is still part of my gross taxable pay and will be reported as such.*

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## Conditions to be satisfied to meet the lump sum donation criteria

### The Donor

Is resident in Jersey for tax purposes on the date the payment is made.

Has paid or will pay, income tax at least equivalent to the tax in respect of the gift

### The payment

Is made in money and is not subject to a condition that any part of it can be repaid (in the case of payroll giving, after the donation has been made to the nominated charity).

Is not due under a deed of covenant.

Is not part of an arrangement to benefit the donor, the donor's family or an individual or company connected to the donor.

Is not linked to the acquisition of property by the charity except by way of a gift.

Is at least £50 and when added to other lump sum donations by the donor or persons connected with the donor, does not total more than £500,000 in any one year.

By signing this form I authorise (insert employer name) to deduct the amount detailed below from my monthly salary with effect from (insert date). Once the last payment (insert date ) has been made, (insert employer name) will send my accumulated (insert year) contribution to (insert charity name).

I understand that by enabling (insert charity name) to reclaim the tax back from States of Jersey, my accumulated contribution, if over £50, can generate an additional 25 pence for every £1 I donate. I therefore confirm that I would like (insert charity name) to reclaim tax from the States of Jersey Income Tax on my behalf. I confirm I am a Jersey taxpayer, and have satisfied all the conditions stated below and wish (insert charity name) to claim back tax on my donation.

My Income Tax Reference Number is \_\_\_\_\_

I understand that should my employment with (insert employer name) end, I can choose to either have the funds I have accumulated returned to me in my final salary payment, or have them donated to (insert charity name).

Should I wish to be removed from the initiative during the year, I am aware that I must inform the Human Resources Department in writing at least 10 working days prior to the next pay day. I understand that the amount that I donate each month will be deemed taxable as part of my gross pay.

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### Donation amount

£5

£10

£20

£\_\_\_\_\_ per month

Employee name: \_\_\_\_\_

Employee address: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Conditions to be satisfied

#### The donor

- is resident in Jersey for tax purposes on the date the payment is made
- has paid or will pay, income tax at least equivalent to the tax in respect of the gift (the details of the donation should be included on the tax return)

#### The payment

- Is made in money and is not subject to a condition that any part of it can be repaid
- Is not due under a deed of covenant
- Is not part of an arrangement to benefit the donor, donor's family or an individual or company connected to the donor
- Is not linked to the acquisition of property by the charity except by way of a gift
- When added to other lump sum donations by the donor or persons connected with the donor, does not total more than £500,000 in any one year
- **All these conditions must be satisfied in order for the payment to qualify for tax relief.**

Dear Donor

Have you ever thought of donating to charity but have not got around to doing it for one reason or another? Brightly formerly Brig-y-Don Children's Charity was established in Jersey and is exempt from income tax. What's more, when you donate to our cause, every penny will go to help local children and young people not on administration.

### **Giving to charity**

If you give money using the lump sum donation scheme the charity gets an additional 25%. So, if you donate £100, the charity will get an additional £25.

The following rules apply to the donation:

- The minimum single amount is £50 (also see payroll giving, below)
- The charity must have been exempted from income tax and established in Jersey
- You should be liable to pay income tax (see below if you do not pay tax)
- You must be resident in Jersey for tax purposes on the date you make the donation
- It is made in money
- It is not subject to a condition that any part of it can be repaid
- It is not due under a deed of covenant
- It is not part of an arrangement to benefit you, your family or any individual or company connected to you
- It is not linked to the acquisition of property by the charity except by way of a gift
- When added to other lump sum donations by you or persons connected to you, the total does not exceed £500,000 in any one calendar year.

### **The lump sum donation scheme**

You make a payment to the charity (in cash, by cheque, bank transfer or credit card). You give the charity a lump sum donation certificate so that it can claim an additional amount from the taxes office. For example:

- You give £80 to a local charity
- This is treated as a gross payment of £100 less £20 tax (at 20p in the £)
- The charity, being exempt from income tax, can claim the tax of £20 so your donation of £80 is worth £100 to the charity

### **Payroll giving**

You can make donations to charity directly from your salary. If the accumulated amount over the year is £50 or more, the donation will qualify as a lump sum donation. It is an easier way to give, as your employer will administer the scheme and you can spread your charitable giving over a year. For example:

- You join an employer who have a payroll giving scheme, so you set up a £10 per month donation direct from your salary from January to December
- The employer sends your donation to the nominated charity in December
- As the donation is over £50 it qualifies as a lump sum donation
- The charity will receive your £120 plus an additional £30 from the Taxes Office
- Your payroll will still provide your gross income (the amount before the charity deduction) to the Taxes Office and this is also the amount you must declare on your annual tax return.

### **Employers information for payroll giving**

When you set up a payroll giving scheme you must ensure that the nominated charities are established in Jersey and exempt from income tax. The charity will be able to provide a letter from the Jersey Taxes Office confirming they 'are exempt under Article 115(a)' as proof of this.

Each employee must complete a payroll giving form and when the total collected is distributed to the nominated charities it must include a schedule detailing the following information for each employee who has donated:

- tax reference
- name
- address
- amount donated to that charity through the scheme for the year

**If you do not pay income tax**

If you are below the tax threshold, exempt from income tax or a zero rated company you should not use these schemes, but just pay the charity the amount you want it to receive.

If you do make a payment using the above schemes you will have to pay income tax of the amount that the charity receives from the taxes office.

A 10% company would need to pay half of the amount the charity claims back.

**Fund-raising events, collections and sponsorship**

These do not qualify for the lump sum donation scheme as you are passing on money from other people that you have already collected. It is therefore not your gift.

However, if at the time an individual wants to give the charity you are raising money for an amount under the lump sum donation scheme and the donation meets all the rules then they can do this.

The donor must be aware and acknowledge that they are making a payment under the lump sum donation scheme and it is their responsibility to complete the form. You can then pass on the donation to the charity.

If a company sponsors fundraising events organised by local charities and it benefits from the publicity, or in other ways, the payment will not qualify as a lump sum donation.

**Trusts, estates and partnerships**

Trusts, estates or business partnerships can't use the lump sum donation scheme. However a business partner, as an individual, can make a donation on their own account

If you would like any more information, please contact the administrator, Allison Le Blancq on 07797 890 448 or by email on [allison@brightly.je](mailto:allison@brightly.je).