

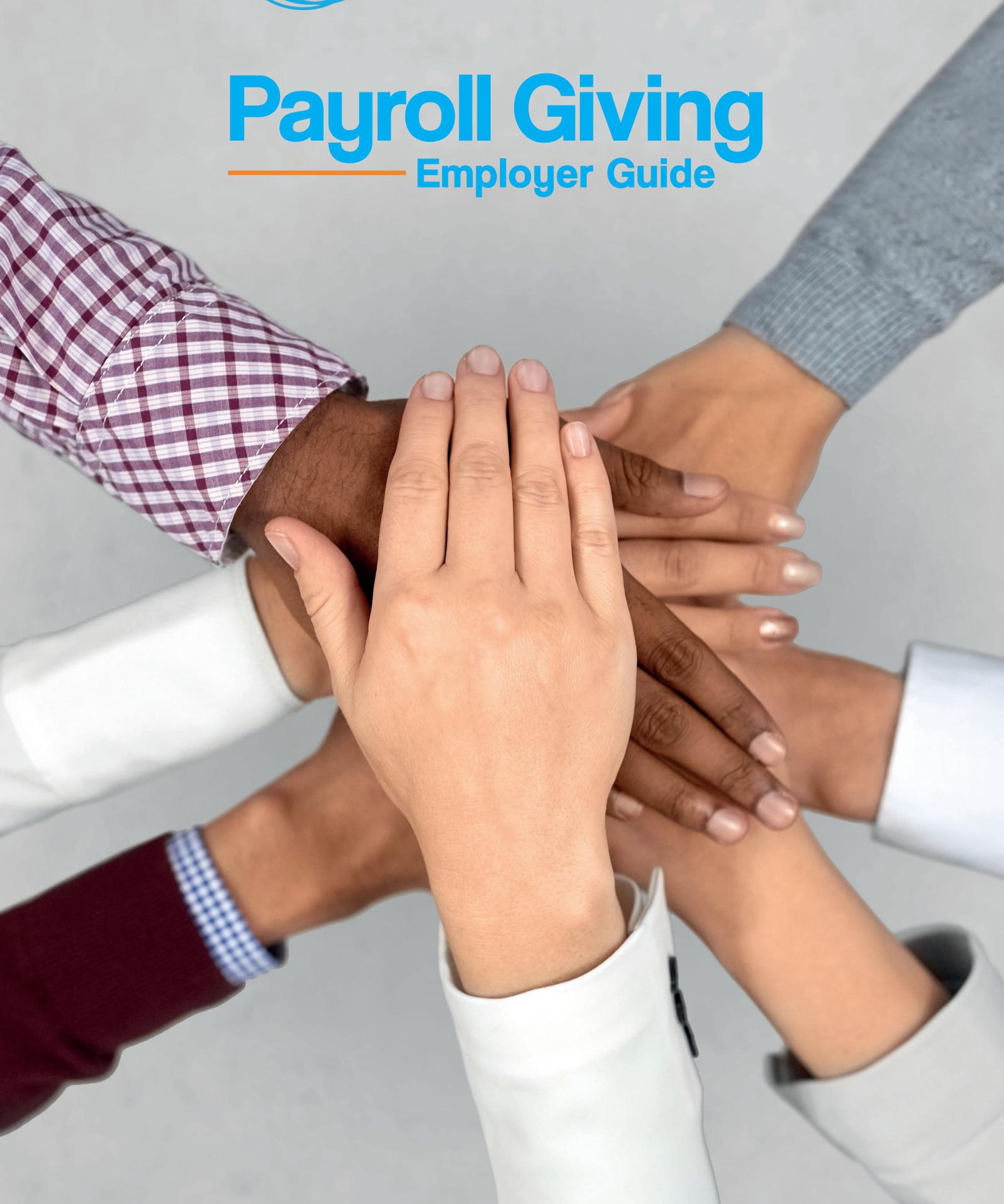


ROY CASTLE  
LUNG CANCER  
FOUNDATION

# Payroll Giving

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## Employer Guide



## Payroll giving – A guide for employers

This guide provides you with everything you need to know to set up and run a successful Payroll Giving scheme. It includes tips on how to promote Payroll Giving to your employees, the benefits the scheme will bring to your business and your chosen cause, and how you can get recognition for the support you give to Roy Castle Lung Cancer Foundation.

### What is payroll giving?

Payroll Giving is a simple tax efficient scheme that allows your employees to regularly donate to Roy Castle Lung Cancer Foundation (and other charities) directly from their gross salary. Whatever the size of your business, Payroll Giving is quick and easy to put in place and helps raise millions of pounds a year for great causes.

### How does it work?

Setting up and running a Payroll Giving scheme is quick and simple. Once you have a scheme in place, your employees will be able to sign up to start donating. Then, each pay day, their chosen donation amount is taken directly out of their gross salary by your company's payroll department.

The donation is taken after National Insurance is deducted, but before tax, meaning that their donation will cost them up to 40% less (see the table below).

All employees' donations are sent directly to a Payroll Giving Agency (PGA) who will handle the transfer of the funds to Roy Castle Lung Cancer Foundation or any other charity they have chosen to support.

### Breaking it down:

Your pledge	Cost to standard rate tax payer (20%)	Cost to higher rate tax payer (40%)
£5	£4	£3
£10	£8	£6
£25	£20	£15



## Benefits to the employer

- It's simple and straightforward to set up a payroll giving scheme.
- There are virtually no running costs and administration commitments since all modern payroll systems can process donations.
- Payroll giving can enhance your corporate social responsibility profile and your reputation.
- It shows commitment to great causes such as Roy Castle Lung Cancer Foundation.
- It makes it easy for your employees to give regularly and tax efficiently, and for you to show that you care about the causes they care about.
- The rewards are high: as the average donation duration is around five years, the long-term value of an employee's £5 monthly pledge, for example, would be £350.
- Easy reporting: Roy Castle Lung Cancer Foundation can provide you with the monthly value of your employees' payroll giving to the charity, allowing you to monitor your organisation's contribution.

## Benefits to employees

- Your employees can sign up to support their chosen cause within minutes.
  - It's the only way of giving that allows full tax relief on donations.
- They are in full control of their donations and can stop or change their gift at any time.
- No Direct Debits or standing orders, just one simple authorisation form to complete.
  - It's private, as no bank details are given out to charities and donors can choose how their chosen charity contacts them.
- It's convenient: not all donors want to run marathons or do a sky-dive.
- There's no expectation to the size of their gift and they have control at all times.

## Benefits to Charities

- Regular income which help charities to plan ahead and budget for the future
- Higher donations: as donors benefit from tax relief, they may be inclined to give more.



## Setting up payroll giving

### Step one: Get everyone on board

You can make the process simpler by getting the support of senior management, payroll and human resources. Let them know how easy it is to use Payroll Giving and show them the benefits of regular giving to Roy Castle Lung Cancer Foundation.

### Step two: Signing up with a payroll giving agency

If you haven't already, sign up with a PGA (you can find a list of PGAs at the end of this guide). PGAs facilitate Payroll Giving and help to distribute all the funds that your employees donate.

These agencies will set you up with everything you need, and they'll talk you through each process.

They are vital, since donations are made through gross pay, HM Revenue & Customs (HMRC) need an 'audit trail' to ensure money is going to the right places.



### **Step three: Promote the scheme**

Many of your employees may have never heard of Payroll Giving or the benefits that donating through the scheme brings to both the charity and donor.

Why not promote it to your staff to help get the scheme off the ground? This could be as simple as sending an 'all staff' email, or you might choose to run a series of promotions, or even go all out and hold a Payroll Giving fundraising event.

You could set goals, to encourage staff to achieve new levels of participation. Update this and share the information throughout the promotion.

Choose a 'good moment' to introduce the idea, when motivation levels are high, such as before holidays or when pay rises are announced.

Recruit a group of staff volunteers who can share their positive experience with colleagues.

Get senior managers to set an example by being among the first to sign up.

Include information about Payroll Giving in payslips and in induction packs for new starters.

Remember to keep staff informed of progress and to thank them, celebrating their contributions. A successful promotion provides a great PR opportunity!

### **Step four: Employee sign-up**

Your staff can sign up to Payroll Giving through a Professional Fundraising Organisation (a list of these can be found at the end of this guide).

Roy Castle Lung Cancer Foundation is registered with the Charities Trust:  
[www.charitiestrust.org](http://www.charitiestrust.org)

### **Step five: Donations begin**

Now that you've got a Payroll Giving scheme in place and your employees are on board, you can set up pre-tax donations to Roy Castle Lung Cancer Foundation.



## Why support Roy Castle Lung Cancer Foundation?

We are the only UK charity dedicated solely to lung cancer and everyone affected by it.

- We are the 'voice' of patients, representing their interests on key decision-making bodies such as NICE and the Scottish Medicines Consortium.
- We campaign tirelessly to raise awareness of lung cancer and its symptoms.
- We campaigned for – and helped to secure - the introduction of the ban on smoking in public places.
- We are leading the way in campaigning for the roll out of lung health checks.
- It's our ambition to see the introduction of a national lung cancer screening programme.
- We raise funds for research projects aimed at improving both the patient experience and early detection, which is the key to the most effective – and potentially curative - treatments.
- We offer support and advice to patients and families via our nurse-led helpline.
- We create and distribute high-quality, independently-audited, information collateral.
- We run Information Days, bringing together patients, families and health-care professionals in an informal setting to share insights and experiences.
- Our online community supports people living with lung cancer and people who are trying to stop smoking.



## How we can support your Payroll Giving

One feature of Payroll Giving is that an individual donor can choose which charity they'd like to support. If, however, you would like to run a Payroll Giving promotion to encourage staff to support Roy Castle Lung Cancer Foundation in particular, you could add an extra incentive, such as a free give-away or an extra chance to win a raffle prize.

We can also offer the following support:

- Our Employer's Guide to Payroll Giving – you can download this handy tool at: [www.roycastle.org/payroll-giving](http://www.roycastle.org/payroll-giving)
- We can put you in contact with recommended PGAs who will make setting up and running a scheme both easy and effective.
- Our communications package includes materials which can be used to assist promotions. These include an employee FAQ and editable promotion posters.
- Our Payroll Giving team is available to advise on your promotion and answer any questions.



### How do I choose a Payroll Giving Agency?

There are several HMRC-registered PGAs to choose from. A list of PGAs is available at the end of this guide. Once you have chosen a PGA, you will be able to access their registration agreement form from their website, or simply call them and they will send one to you to fill in.

### What role will my payroll department play?

Your payroll department will deduct the donations each pay day. When the deductions are made, they are forwarded to the PGA with a statement showing the names of the people who have donated and the amount. The PGA can also help to answer any questions that your payroll department may have along the way.

### How are the funds transferred via PGAs?

All donations are sent to your PGA by your payroll department, and these are then transferred to your chosen charity or charities. They take a small fee from this donation to cover administration costs – usually around 4% of the total donation – a tiny fraction when you consider the amount of tax HMRC would take.

The donation deductions will then appear on employees' payslips. Your PGA will also report back to you so that you can keep track of total employee donations.

### How much will the scheme cost to set up?

Most employers say there are no identifiable costs in setting up a Payroll Giving scheme. Those that do attribute an expense usually say it's around £100 (including staff time).

### What is matched giving?

Matched giving is a powerful and popular way of encouraging employees to sign up to Payroll Giving. Companies can decide whether they would like to match an employee's donation (as much, or as little as you wish).

Matched amounts are then added to the employee donations, giving an incentive to start Payroll Giving and make their charitable donations go further.

### How flexible is payroll giving for my employees?

The scheme is as flexible as your employees want it to be.

They can increase, decrease, start or stop their donations at any time. Another benefit is that donations can be made to one or more charities.

The employee simply specifies the charities to which they'd like to donate.



# The Payroll Giving Quality Mark Scheme

The Payroll Giving Quality Mark recognises and rewards organisations for making Payroll Giving available to their staff – helping you to demonstrate (both within your organisation and publicly) that you are committed to the good causes your employees care about.

## Quality Mark Awards

The Quality Mark Awards reward employers that achieve minimum staff participation rates and employer support in Payroll Giving as outlined below:



**DIAMOND**  
30% employee participation



**PLATINUM**  
20% employee participation



**GOLD**  
10% employee participation



**SILVER**  
5% employee participation



**BRONZE**  
1% employee participation

## How to Apply for the Award

Your Payroll Giving Agency (PGA) will monitor your employee participation rates you have achieved and honour awards annually. If you think you qualify for an award, you can approach your PGA directly, or apply on the Payroll Giving Centre's website.

For more information on the Quality Mark and National Awards visit:  
[www.payrollgivingcentre.org.uk](http://www.payrollgivingcentre.org.uk)



## The potential to save lives

There is no question that, if implemented properly, targeted lung health checks will improve early detection rates and, in turn, have a major impact on long term survival.

Linda Salter knows this only too well - an early diagnosis saved her life, but her husband David was not so fortunate.

As she says, "I was invited to attend one of Roy Castle Lung Cancer Foundation's lung health checks. I had no reservations about going.

"I was diagnosed with chronic obstructive pulmonary disease (COPD) and referred for a CT scan at the mobile unit.

"The scan discovered two small nodules inside my right lung. I was referred to a specialist that same week. They believed the nodules weren't cancerous and recommended monitoring them for any signs of growth.

"That was quite a frightening time knowing there was 'something' there, but after having two clear follow up scans I thought I was out of the woods.

"But I wasn't. Nine months after the original health check, the scan showed the nodules had grown.

"Despite this, I still had no symptoms and felt absolutely fine, so if it hadn't been for that health check, things could have been very different.

"I know how devastating lung cancer can be; my husband David died within six months of being diagnosed. But because of Roy Castle Lung Cancer Foundation and all its supporters, my story is very different.

"I can't express how grateful I am. If I hadn't gone for that test, I don't know how far the cancer would have spread before I would have found out. It saved my life."



## Further Information and Contacts

### Payroll Giving Agencies

**CAF: Charities Aid Foundation**

Phone number: 03000 123 000

Website: <http://www.cafonline.org>

### Charitable Giving

Phone number: 01822 611 180

Email: [mail@charitablegiving.co.uk](mailto:mail@charitablegiving.co.uk)

[www.charitablegiving.co.uk](http://www.charitablegiving.co.uk)

### Charities Trust

Phone number: 0151 286 5129

Email: [info@charitiestrust.org](mailto:info@charitiestrust.org)

[www.charitiestrust.org](http://www.charitiestrust.org)

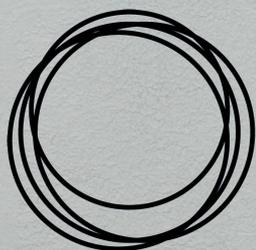
### HMRC Payroll Giving

[www.hmrc.gov.uk/businesses/giving/payroll-giving.htm](http://www.hmrc.gov.uk/businesses/giving/payroll-giving.htm)

To find out more about Roy Castle Lung Cancer Foundation, our work and the services we provide visit:  
[www.roycastle.org](http://www.roycastle.org)

For full details of how we can help you with Payroll Giving please call Angela Massey on 0333 323 7200 (ext. 117) or email: [angela.massey@roycastle.org](mailto:angela.massey@roycastle.org)

**Thank you for your generous support!**



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