

# An employers guide to payroll giving



Thank you for your support

[www.hospiceuk.org](http://www.hospiceuk.org) 020 7520 8200



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hospiceuk

Company limited by guarantee, registered in England & Wales No 2751549.

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**FUNDRAISING  
REGULATOR**

## What is payroll giving?

Payroll giving is a simple and tax efficient scheme that allows your employees to regularly donate to a charity of their choice directly through their pay before tax! Because the donation is taken out before tax, a £10 donation will actually only cost your employees £8.

Payroll giving is a regular and stable income to charities. Over 1 million people donate to charities through their pay and together they have raised over £2 billion for good causes. Whatever the size of your business, payroll giving is a quick and easy scheme to set up with endless benefits for you and your employees.

This guide will give you all the information you need to set up your own payroll giving scheme.

### Why should I set up a payroll giving scheme?

Payroll giving is a regular form of income for us. Knowing that we will receive a regular gift from your employees can make all the difference as it means that we can plan ahead, safe in the knowledge funding is available.

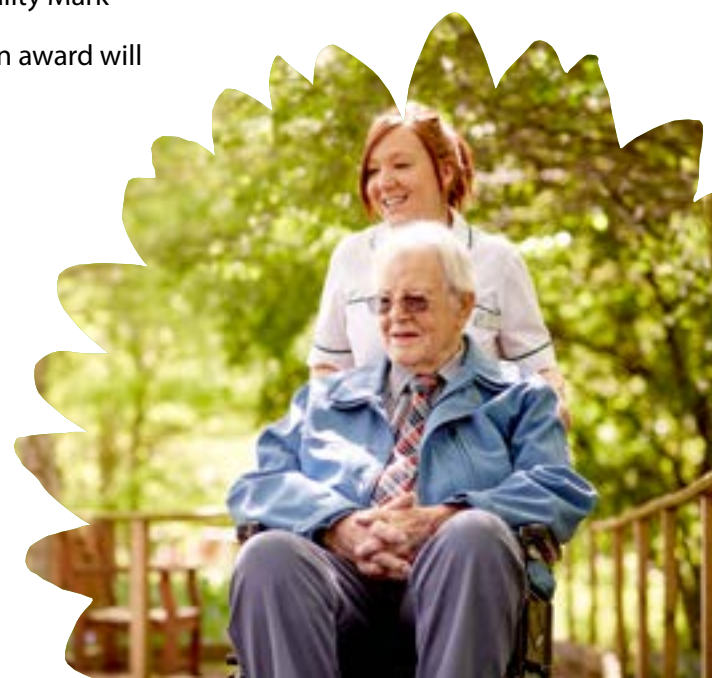
By supporting Hospice UK this way you can help us make sure that everyone in the UK receives the high quality care and support they deserve, so they can focus on what really matters: living well until the end.

### What are the benefits to your business?

- > It is really easy to set up a payroll giving scheme
- > Aides staff retention and recruitment by boosting morale and motivation
- > Increases your business' charitable giving with little effort or cost to you
- > Enhances your social responsibility and community investment programmes
- > Allows you to monitor the level of charitable giving that your company achieved
- > Any administration costs involved are tax deductible
- > You can qualify for the government's Payroll Giving Quality Mark
- > There are national awards for payroll giving - winning an award will create lots of positive PR!

### Staff benefits

- > Payroll Giving is a tax-efficient and simple way to give
- > There is no limit on the size of the gift
- > There is no need to worry about Direct Debits or Standing Orders – just complete one simple form
- > Employees are only giving whilst they're employed and being paid



## Setting up a payroll giving scheme in 4 easy steps...

### 1. Sign up

Sign up with a Payroll Giving Agency (PGA). If you are not already registered with a PGA, you can find a list at the end of this guide. PGAs facilitate payroll giving, they make sure that the donations your staff make get to the right charity. These agencies will set you up with everything you need and talk you through each process.

### 2. Employee sign-up

Your staff can use the link to our website at the end of this guide to sign up directly to give a gift to Hospice UK. Alternatively, they can sign up through a Professional Fundraising Organisation (PFO). You can find a list of these at the end of this guide.

### 3. Promote your scheme

Now you have set up a scheme, it's time to promote it to staff. You can promote payroll giving internally or you can use a PFO. PFOs will work with you to promote your scheme and can sign people up on site. Promoting your scheme can be as simple as an all staff email, intranet article, or if you want to boost staff morale why not hold a payroll giving fundraising event.

### 4. Tell everyone about your achievements

By running regular promotions about your Payroll Giving scheme and continuing to recruit new donors means you could be eligible for a Payroll Giving Award. Your PGA should issue your award however, if you think you qualify for an award, you can approach your PGA directly.

At the end of someone's life, we only have one chance to get it right

Payroll giving is a vital source of support for Hospice UK

£5

could help us respond to a family in their time of need through our Information Service, helping them to get the support, guidance and care they need

£10

could help us grow our Dying Matters campaign, reaching more people and helping them talk more openly about death, dying and grief

£20

could help us fund an online training event helping hospice nurses better care for families experiencing bereavement



# How to improve your payroll giving programme

- 1 Create a Hospice UK ambassador network**  
Recruit a group of key supporters to promote the scheme inside the business. This can be one person per site and the most successful charity ambassadors are those who work in a role that is recognised by senior management. Having a network of Hospice UK ambassadors means the business has a team focused on the giving program which can spread the passion!
- 2 Communicate to staff regularly**  
Hospice UK can produce quarterly updates, information and case studies to show your employees how their donations are making a difference. We can direct staff who have not signed up yet to our online donation portal.
- 3 Use both digital and in-person methods to raise awareness**  
We can produce bespoke materials to be included in staff inductions or displayed in public areas such as in kitchens/staff rooms, as well as materials for your social media, intranets and staff e-newsletters.
- 4 Engage senior leaders**  
Ask your senior team or CEO to refer to the scheme in regular updates, Hospice UK can hold sessions with charity speakers to talk about the difference payroll giving makes.
- 5 How does your businesses support employees donations?**  
Can you provide ongoing matching for employees donations? If you cannot provide ongoing matching, why not consider matching for limited periods to help promote the scheme and boost chairty donations.
- 6 Hospice UK can make sign up simple**  
Tailored online sign up forms provide a simple and immediate way for employees to sign up to payroll giving. We can design bespoke paper forms and co-ordinate promotional activities.
- 7 We will help you celebrate and recognise the support of your employees**  
It is important that donors are appreciated and recognised for the contribution they are making. Your donors will receive a personal thank you for their support!
- 8 Celebrate the support of your ambassadors**  
Ambassadors who have excelled in their efforts to support and promote the scheme should be acknowledged and rewarded, particularly since many will be performing this role in their own time. A 'champion of the year' award, as voted by peers or management and/or a celebration dinner event hosted by the CEO or a senior manager shows the business' support and gratitude and reinforces the importance of these positions.

## FAQ

We understand payroll giving may seem confusing at first...

### 1. Why do I have to use a Payroll Giving Agency (PGA)?

PGAs handle all of the administration involved in processing your employee's donations and because donations are taken pre-tax, HM Revenue & Customs (HMRC) need to see that the money is being distributed to the right place.

### 2. How do I choose a PGA?

There are a number of HMRC registered PGAs. You can visit their website or call them for registration details. Simply fill the forms in and return to them. To see a list of PGAs please see the end of this guide.

### 3. What role will my finance department take?

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

### 4. How are the funds transferred via PGAs?

All donations are sent to your PGA by your payroll department, they then get sent to your employees chosen charity. The donation will appear as a deduction on your employees' payslips. The PGAs will then send the selected charity's payment via BACS. You can keep track of your employees donations though your PGA too.

### 5. What are the benefits to charities?

Payroll giving provides charities with regular, reliable donations that allow them to plan ahead and budget for the future. By signing up to payroll giving, you can generate a vital income stream to UK charities.

### 6. What is matched giving?

Matched giving is when you match your employees gift, by matching what your staff donate it displays a strong message of corporate social responsibility. It will show your staff that you care about the charities they support and will help to increase staff motivation and morale.

### 7. How can I get a Payroll Giving Award?

By running regular promotions about your payroll giving scheme to maintain awareness and continuing to recruit new donors, you could be eligible for an award. For more information visit [www.payrollgivingawards.co.uk](http://www.payrollgivingawards.co.uk).

If you have any other questions about payroll giving, please contact:

Amy Foster  
Senior Supporter Engagement Executive  
[a.foster@hospiceuk.org](mailto:a.foster@hospiceuk.org)  
0207 520 8266

# Case study: Royal Mail

Our most successful payroll giving campaign was with Royal Mail Group. In 2005 we had a three year partnership with Royal Mail Group that raised a fantastic £2million (including payroll giving). Payroll giving was a huge driver of income generation for this partnership:



- When the partnership began we had 475 payroll giving donors. By the end of the partnership this increased to an incredible 6123 donors, smashing our original target of recruiting 2,500 donors. Our aim of generating £500,000 through payroll giving had also been exceeded; during the three year partnership we raised an incredible £690,000.
- We were delighted to become the largest single beneficiary of payroll giving by Royal Mail's 196,000 strong workforce. Raising on average over £230,000 per year. Prior to the relationship, annual revenues for Hospice UK payroll giving scheme with Royal Mail averaged about £42,000 in total.
- We saw incredible results – the number of donors increased by 700% during our partnership, outstripping all projected targets. 14,321 new donors were recruited from May 2005 to 2008.
- The payroll giving scheme between Royal Mail Group and Hospice UK was commended at the National Payroll Giving Awards for the Best Employer and Charity Promotion in November 2008.
- Even though our partnership ended over five years ago, we have a lasting legacy from this partnership. Today we still have over 3150 regular donors from Royal Mail Group – raising around £150,000 per year. Representing 26% of our total donor numbers.



£690,000

Was raised through payroll giving



Face to face

promotion was the most successful



35%

of the total income raised through the partnership was from payroll giving



The number of donors increased by

700%

## Useful contacts

### Professional Fundraising Organisations (PFOs):

#### Hands On Helping

Phone number: 01433 621 882

Email: [admin@hands-on-helping.co.uk](mailto:admin@hands-on-helping.co.uk)

Website: <http://www.hands-on-helping.co.uk/>

#### StC Payroll Giving

Phone number: 03000 123 800

Email: [enquiries@sharingthecaring.org.uk](mailto:enquiries@sharingthecaring.org.uk)

Website: <http://www.sharingthecaring.org.uk/>

#### Payroll Giving in Action

Phone number: 01271 326 131

Email: [enquiry@payrollgiving.co.uk](mailto:enquiry@payrollgiving.co.uk)

Website: <http://www.payrollgiving.co.uk/>

### Payroll Giving Agencies (PGAs):

#### CAF (Charities Aid Foundation)

Phone number: 03000 123 000

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

#### Charities Trust

Phone number: 0151 286 5129

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

#### Charitable Giving

Phone number: 01822 611 180

Website: <https://www.charitablegiving.co.uk/>

A full list is available at [www.gov.uk](http://www.gov.uk)

For more information, or to sign up to give a Payroll Giving gift to Hospice UK, please visit:

[www.hospiceuk.org/payrollgiving](http://www.hospiceuk.org/payrollgiving)



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