

68) CHARITABLE GIVING - The latest in a series of articles by Iain Gregory of Caithness CAB

This has been a rather sad week and Liz and I have just got back from Badenoch and Strathspey after our daughter's husband, Duncan, finally lost his long battle with cancer. Things did brighten a little however when the background music playlist at the crematorium proved to contain "Burning Ring of Fire" and "Bat out of Hell" – Duncan was a TT and Superbike racer and this greatly appealed to all the bikers present who shared his irreverent and wonderful attitude to life.

And this week we are going to look at charitable giving. I do not think I have ever been so impressed as I was by the amazing care and kindness which I witnessed at the Highland Hospice in Inverness where Duncan spent his last weeks. Charities do incredible work and today we depend on them more and more to provide the support and help that all of us are likely to need at some time in our lives. So what are the rules?

Well, first of all we can of course simply put money in a collection box without the need for any formal process, or we can hand in unwanted items to a charity shop (Liz collects brand new clothing, toys and books for children supported by a particular charity very close to her heart).

But there are ways of making our gifts more effective. When you make a donation – say to one of the local charity shops – the Volunteer might ask you if you would complete a "Gift Aid" form – all you have to supply is your name, address, postcode and signature and the only rule is that you need to have paid a certain amount of tax – GOV.UK says "Your donations will qualify as long as they're not more than 4 times what you have paid in tax in that tax year (6 April to 5 April). The tax could have been paid on income or capital gains. You must tell the charities you support if you stop paying enough tax." This means that the charity gains an extra 25p for every £1 value of your donation, so if you hand in clothing which sells for £50, then the charity will get an extra £12.50. And nobody is going to bother you or phone you – this is a real win-win situation. If you are a higher rate taxpayer you can claim the difference between the rate you pay and basic rate on your donation – to make it an easy sum if you donate £100 then the charity will get £125 and you can claim back £25 through your tax code or return (based on 40% tax rate). And if your employer operates "Payroll Giving" then you can donate straight from your pay or pension before tax is deducted – in Scotland this means that to donate £1, you pay:

- 81p if you're a starter rate taxpayer
- 80p if you're a basic rate taxpayer
- 79p if you're an intermediate rate taxpayer
- 59p if you're a higher rate taxpayer
- 54p if you're a top rate taxpayer

If you want to make a large donation then you can gift land property and shares – without tax penalties – and of course we can leave legacies in our will with similar advantages to all.

So there we have it – we can all make a difference large or small, as Duncan did, and if you need more information just go to GOV.UK and look up "Tax Relief when you donate to a charity"