

Payroll Giving/ Give As You Earn (GAYE)

An alternative way of tax efficient giving for UK taxpayers is the Give As You Earn (GAYE) scheme. Alumni who are paid under the PAYE (Pay as You Earn) scheme can make regular donations to London Business School by participating in the GAYE scheme. Gifts made under this scheme are taken directly from the gross pay, giving the donor immediate tax relief at the highest rate of tax (for which they qualify). For instance, a monthly contribution to London Business School of £100 from a higher rate taxpayer paid through GAYE would go straight to the School¹. In comparison, the same gift to the School, given after income tax at 40% has been applied, would have a value of £60. Even if Gift Aid is applied to the £60, the value of the gift to the School only increases to £76.92. The higher rate tax relief the donor could claim would equal £13.85.

Alumni who are UK taxpayers and interested in this method of giving need to request a GAYE form from their employer, detailing their wishes to donate to London Business School. The employer will then deduct the gift directly from the salary before tax is applied.

For more information about Give As You Earn please contact the Development team or visit the Give As You Earn website at:

<http://www.payrollgivingcentre.org.uk/employees.htm>

N.B. Individual circumstances may vary, and any figures quoted are for illustration only and do not represent financial advice. Please consult your tax advisor for specific information.

¹ Minus a small administration fee payable to a payroll giving agency