

How Gift Aid works

The Gift Aid scheme is for gifts of money by individuals who pay UK tax. Eltham College take your donation - which is money you've already paid tax on - and reclaims the basic rate tax from HM Revenue & Customs (HMRC) on its 'gross' equivalent - the amount before basic rate tax was deducted. If you give £100 using Gift Aid, it will be worth £125 to Eltham College.

Claiming back higher rate tax

If you pay higher rate tax, you can claim the difference between the higher rate of tax 40 and/or 45 % and the basic rate of tax 20 % on the total 'gross' value of your donation to Eltham College. For example, if you donate £100, the total value of your donation to us is £125 - so you can claim back:

- £25 - if you pay tax at 40 per cent (£125 × 20%)
- £31.25 - if you pay tax at 45 per cent (£125 × 25%)

Donation	You reclaim		Cost to you		Eltham College receives
	Higher (40%)	Highest (45%)	Higher (40%)	Highest (45%)	
£100	£25	£31.25	£75	£68.75	£125

You can make this claim on your Self Assessment tax return, if you were sent one. It's important to keep a record of the total amount of all your Gift Aid donations for each tax year. If you normally complete a tax return you can tell HMRC about your Gift Aid donations by completing the section on Gift Aid payments. If you don't complete a return, you can give the details on form P810 Tax Review.

Making sure you've paid enough tax to use Gift Aid

You can use Gift Aid if the amount of Income Tax and/or Capital Gains Tax you've paid for the tax year in which you make your donation is at least equal to the amount of basic rate tax we will reclaim on your gift. A tax year runs from 6 April one year to 5 April the next. You don't necessarily have to be working to be paying tax. Apart from tax on income, the tax you've paid could include:

- tax deducted at source from savings interest
- tax on State Pension and/or other pensions
- tax on investment or rental income (including tax credits on UK dividends)
- Capital Gains Tax on gains



ELTHAM COLLEGE

Bursary Fund Donation Form

If you have any queries please contact us at the Elthamians Office, Eltham College, Grove Park Road, London SE9 4QF, call 020 8851 9840 or email elthamians@eltham-college.org.uk

Eltham College is a registered charity, No. 1058438