Payroll Giving
An Employer’s Guide

Together we will beat cancer
What is Payroll Giving?

Payroll Giving is a simple and tax-efficient scheme that allows your employees to regularly donate to Cancer Research UK (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. In short, Payroll Giving benefits everyone: employees, charities and businesses.

How does it work?

Once you have set up your scheme, your employees will be able to sign up to donate. Each payday, their chosen donation amount will be taken directly out of their gross salary by your company’s payroll department. The donation will be taken after National Insurance is deducted, but before tax. This means that their donation will cost them up to 45% less through the tax break.

All employees’ donations are sent from your company to a Payroll Giving Agency (PGA) who will handle the transfer of the funds to Cancer Research UK or any other charity your employees have chosen to support.

<table>
<thead>
<tr>
<th>Donation amount</th>
<th>Cost to 20% tax payer</th>
<th>Cost to 40% tax payer</th>
<th>Cost to 45% tax payer</th>
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<tbody>
<tr>
<td>£10</td>
<td>£8</td>
<td>£6</td>
<td>£5.50</td>
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<td>£25</td>
<td>£20</td>
<td>£15</td>
<td>£13.75</td>
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<td>£50</td>
<td>£40</td>
<td>£30</td>
<td>£27.50</td>
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After reading this guide, you will know how to set up and run a successful Payroll Giving scheme, including tips on how to promote Payroll Giving to your employees and get recognition for your scheme.
What are the benefits?

Corporate Social Responsibility is crucial whatever the size of your business, which is why more employers than ever are implementing Payroll Giving schemes. Below are the business benefits of offering Payroll Giving to your employees.

For your company

- **Low effort**: Virtually no set up and running costs and minimal administrative requirements since all modern payroll systems are equipped to process donations.
- **High reward**: On average, employees will donate for 5 years. This means if 100 of your employees gave £10 each month, your company would raise £60,000 for Cancer Research UK over 5 years. That’s worth shouting about!
- **Recognition**: The Quality Mark Scheme and National Payroll Giving Excellence Awards recognise your business’ commitment to giving back through Payroll Giving (see page 8).
- **Easy reporting**: Cancer Research UK can provide you with the monthly value of your employees’ Payroll Giving donations to monitor and measure your organisation’s contribution.

For your employees

- **Good value**: It’s the only way to give that allows full tax relief on donations. In some cases, it may move a donor to a lower tax bracket.
- **Complete control**: Donors have full control over their donation and can stop or change their gift at any time.
- **Great for busy people**: Running marathons and baking cakes isn’t for everyone. Payroll Giving is ideal for busy people who prefer something quick and easy.
- **Donor security**: No bank details are given out to charities and donors can choose how their chosen charity(ies) contacts them.

For charities

- **Regular income**: Regular and reliable income allows charities to plan ahead and budget for the future.
- **Higher gifts**: Since donors benefit from tax-relief, many are encouraged to give a little more than they might otherwise.
- **Matching**: Employer matching is both a great incentive for employees to sign up and extra income for charities.
How to set up your Payroll Giving scheme

Setting up and running a Payroll Giving scheme is quick and simple.

1. Get everyone on board
   By getting the support of senior management, payroll and human resources, the process will be simple. Let them know how great Payroll Giving is, and the benefits of giving regularly to Cancer Research UK.

2. Sign up with a Payroll Giving Agency
   If you haven’t already, you’ll need to sign a contract with a PGA. PGAs are the facilitators of Payroll Giving, and distribute your employees’ donations to their chosen charity or charities. They are Payroll Giving experts and can guide you through the set-up process.

3. Promote your scheme to staff
   Promoting the scheme is really important as many of your employees may never have heard of Payroll Giving. Internal promotions can be great fun and help build staff morale. See page 10 for ideas on how to run an effective promotion.

4. Employee sign up
   Your staff can sign up to Payroll Giving through a Professional Fundraising Organisation (see page 20) or by filling out the simple form on our website www.cruk.org/payroll-giving.

5. Donations begin
   Now that you’ve got a Payroll Giving scheme and your employees are signed up, your payroll team can start making the deductions each payday.

That’s it!

Through Payroll Giving, your company will have a life-changing impact on the lives of people affected by cancer, as well as any other charities your employees choose to support.
Awards and recognition

The National Payroll Giving Excellence Awards

The National Payroll Giving Excellence Awards (NPGEA) are designed to showcase the best Payroll Giving schemes in the UK and are awarded at an annual awards ceremony.

Any employer who has achieved a Quality Mark in the preceding year is eligible to submit an entry for an award.

For more information, or to submit an application for an Excellence Award, contact your PGA or visit the NPGEA website: www.payrollgivingawards.co.uk

Payroll Giving Quality Mark

The Payroll Giving Quality Mark celebrates the achievements of employers who have adopted and successfully promoted Payroll Giving schemes in their workplaces. Employers who achieve a Quality Mark will receive a certificate and Quality Mark logo, which can be used on company literature in recognition and celebration of their achievement.

Every employer that offers a Payroll Giving scheme to their employees is eligible to receive a Quality Mark, with Bronze, Silver, Gold, Platinum and Diamond Quality Marks available for employers that achieve certain benchmarks (see opposite page).

How to apply for a Quality Mark

Your Payroll Giving Agency will monitor your employee participation rates and will allocate a Payroll Giving Quality Mark in line with the criteria.

The deadline for Quality Mark applications is usually in April, with certificates distributed in June.

Quality Mark Awards

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<thead>
<tr>
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<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>Diamond</td>
<td>30%</td>
<td>Introduced in 2018, the Diamond Quality Mark is awarded to employers who have at least 30% employee participation in Payroll Giving. The employer must also either pay the Payroll Giving Agency administration charge, match donations or demonstrate that they have carried out an active promotion of Payroll Giving during the previous year.</td>
</tr>
<tr>
<td>Platinum</td>
<td>20%</td>
<td>Awarded to employers that achieve 20% employee participation rate in Payroll Giving.</td>
</tr>
<tr>
<td>Gold</td>
<td>10%</td>
<td>Employee participation rate.</td>
</tr>
<tr>
<td>Silver</td>
<td>5%</td>
<td>Employee participation rate.</td>
</tr>
<tr>
<td>Bronze</td>
<td>1%</td>
<td>Employee participation rate.</td>
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Promote your scheme

Promoting your Payroll Giving scheme is essential in achieving good employee sign-up rates. Check out our top tips for spreading the word about your Payroll Giving scheme.

1. Make it quick and easy to sign up

- Promote Payroll Giving desk to desk or in a shared company space (e.g. the lobby or canteen), as this is the most effective and easiest way to get people to sign up. This service is offered by Professional Fundraising Organisations (PFOs) and is free for you as an employer.
- Use emails and the company intranet to enable staff to sign up instantly via a simple form. Most PFOs are able to set-up a bespoke page for you. Alternatively, staff can sign-up to give to Cancer Research UK on our website: www.cruk.org/payroll-giving
- Ask your PGA to provide you with a simple paper form which you can give out to staff. To sign up, they fill out the form and return it to your payroll department.

2. Incentivise your workforce

- Thank your employees and celebrate their donations via newsletters, in team meetings or at away days. Use your success stories as a positive PR opportunity.
- Offer your employees something in exchange for signing up – sweets, badges, a coffee, a dress down day etc.
- Organise a free draw for everyone filling in a Payroll Giving form during the promotion – an extra day of holiday is always popular.
- Set a goal. Challenge your employees to achieve increased levels of participation by sharing your goal to keep staff motivated.
- Consider matching your employees’ donations and publicise this to your employees - this is a powerful incentive.

3. Capitalise on the peer effect

- Recruit a committed group of staff volunteers. They can be invaluable in promoting your scheme to their peers.
- Get your senior managers to set an example and be the first to sign up publicly.
- Foster some healthy competition by publishing league tables based on department or location showing sign up rates.

4. Get the timing right

- Pick a time when levels of motivation are likely to be high, for example before holidays, after ‘good news’ announcements and pay rises. Or choose Halloween, Valentine’s Day or a sporting event such as the World Cup to create a theme.
- Put reminders about Payroll Giving in payslips or add a Payroll Giving area to your online HR system.
- Run regular promotions to maintain awareness and continue to recruit new donors throughout the year.
- Include promotional materials in induction packs or days to inform new staff about the scheme.
Making an impact: ZPG case study

Launched in 2008 as stand-alone website Zoopla, ZPG has gone through exponential growth in recent years. Their focus on charity, including Payroll Giving, has helped them to navigate a period of rapid change.

ZPG and Cancer Research UK joined together in a two-year partnership in 2017. As well as marathons, cakes sales and a plethora of other activities, Payroll Giving has been central to the partnership’s success. Here’s how ZPG made Payroll Giving work for their business:

**Quick and easy:**
Online sign-up and no paperwork.

**Matching:**
ZPG matches employees’ donations, showing their commitment to charity as an organisation and incentivising their employees.

**Charity champions:**
Champions in each office raise awareness and support with the sign-up process.

**Communications:**
Frequent communications help to share stories across teams and provide the feel-good factor

“Through our Cancer Research UK partnership, we’ve shown our commitment to supporting our employees to give something back and proven that, when everyone is focused on a common goal, we can achieve amazing things.”

Natalie Allen, Head of Employee Engagement, ZPG

ZPG’s hard work has paid off - they achieved the highly commended award for Best Promotional Partnership at the NPGEAs in 2017. By empowering and their employees to give back through Payroll Giving, ZPG helps to unify, build a sense of pride and increase staff engagement.

The keys to success

1. **Good support from senior management and each key stakeholder**
2. **Easy and convenient ways for people to sign up**
3. **Compelling incentives**
4. **Thank your employees for their donations**
I look forward to new beginnings, new dreams and aspirations and to seeing my boys grow-up.

Mum-of-two, Jo, developed oesophageal cancer in August 2016. Six months later, she undertook an operation to remove her oesophagus. Today, Jo has finished her treatment and is enjoying being ‘mum’ again.

We can support you

One of the great features of Payroll Giving is that your employees can choose which charity or charities they would like to support. However, if you would like to run a promotion encouraging employees to support Cancer Research UK specifically we are happy to help in the planning process. We can also offer you support with the following:

- Recommending PGAs and PFOs who will make setting up and running a scheme pain-free and effective
- Giving advice and feedback on Payroll Giving promotions and communications materials
- Supporting with content and templates to help you to set up and run a successful scheme
- Providing updates on employee participation rates so you can track progress
- Our Payroll Giving team are available to answer any questions you may have.

Contact us at payrollgiving@cancer.org.uk

Jo’s Story

I look forward to new beginnings, new dreams and aspirations and to seeing my boys grow-up.

Mum-of-two, Jo, developed oesophageal cancer in August 2016. Six months later, she undertook an operation to remove her oesophagus. Today, Jo has finished her treatment and is enjoying being ‘mum’ again.
FAQs

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 have the option to boost employees’ donations (this doesn’t have to be like for like - you might prefer to donate a set amount per employee each payday). You can also choose to donate a one-off amount when employees sign-up (as much, or as little as you wish). The employer’s additional gift is then added to your employees’ donations, giving employees an incentive to start Payroll Giving and make their charitable donations go further.

What role will my payroll department take?
Your payroll team will play an integral part of the scheme, with minimal effort. All modern payroll systems can implement Payroll Giving easily, usually through a simple ‘tick box’ option. Once your employees have signed up, your payroll department will deduct the donations each payday (whether weekly or monthly). The total sum of donations from all employees will then be sent to your PGA. Your PGA will be on hand throughout the process to help answer any questions your payroll department may have.

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 of the scheme is that donations can be made to one or more charities – all they need to do is specify which charities they would like their donations to go to.

What’s the difference between Payroll Giving and Gift Aid?
Both Payroll Giving and Gift Aid offer a tax incentive. However, Gift Aid is capped at 25% and the charity must claim the donor’s tax back from HMRC. With Payroll Giving, the tax saving for higher rate tax payers is greater than Gift Aid. Also, charities receive donations that already include the tax relief, which is more efficient because it saves on administration time.
Why do we need to sign a PGA Contract?
A contractual agreement will secure your working relationship with a PGA and provides HMRC with the necessary audit trail for pre-tax payroll deductions. The contract authorises the employer to commence deductions.

How do I choose a PGA?
There are a number of HMRC registered PGAs to choose from. A list of PGAs is available at the end of this guide. Once you have chosen a PGA, download a copy of their registration agreement from their website or call them and they will send one to you. All you have to do is fill it in and return it to them.

How are funds transferred via PGAs?
All funds are sent to your PGA by your payroll department and these are then transferred to your chosen charity(ies). They take a small admin fee – usually around 4% – 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 do PGAs charge?
Most PGAs make a small administration charge (0-4%) which is deducted from the employee’s donation before being sent on to the charities. A growing number of employers choose to pay the administration charge on behalf of their employees.

Who are PFOs, and how can they help?
Professional Fundraising Organisations (PFOs) specialise in workplace fundraising, sending out trained fundraisers who visit organisations and tell staff about Payroll Giving, answer questions and carry out the sign-up process. PFOs are paid by charities for recruiting donors and charge no fees to the employer. A list of PFOs is available on page 21.
Further information and contacts

Cancer Research UK provides additional information on our website: www.cruk.org/payroll-giving
We also have relationships with the PGAs and PFOs listed here and will happily put you in touch. Email payrollgiving@cancer.org.uk to set up an introduction.

Payroll Giving Agencies (PGAs):
Charities Aid Foundation (CAF)
03000 123 000
giveasyouearn@cafonline.org
Charitable Giving
01822 611 180
mail@charitablegiving.co.uk
www.charitablegiving.co.uk
Charities Trust
0151 286 5129
info@charitiestrust.org
www.charitiestrust.org

Professional Fundraising Organisations (PFOs):
Hands on Payroll Giving
01433 612 882
info@handsonpayrollgiving.co.uk
www.handsonpayrollgiving.co.uk
Payroll Giving in Action
01271 344 360
enquiry@payrollgiving.co.uk
www.payrollgiving.co.uk
StC Payroll Giving
03000 123 800
enquiries@stcpayrollgiving.co.uk
www.stcpayrollgiving.co.uk
The Payroll Giving Team
info@thepayrollgivingteam.co.uk
www.thepayrollgivingteam.co.uk
Together we will beat cancer