



Payroll Giving Consultation

Response provided by LCVS | United Way

LCVS has been supporting philanthropy in Liverpool for over 100 years. We are a smaller payroll giving agency (PGA) with around £2.2 million being raised per annum.

Both this government and the last promoted payroll giving. The 10% incentive introduced in 2002 resulted in the amount of money donated annually through payroll giving more than double to £72.1 million. That incentive has now been phased out.

There are still only 9,700 companies with payroll giving schemes in place in UK. As a result, only 4% of employees are signed up to payroll giving compared with 35% in the US. This difference is accounted for by the direct tax benefit to all taxpayers in US to use payroll giving.

There are fundamental problems with payroll giving that have not been resolved despite the many attempts at improvements. There are too many potential points of failure at both donor and recipient charity level. Below is a response collated from the comments of our team, volunteers and supporters on what government can do more generally to support an increase in giving through the use of payroll giving services.

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To conclude, it has taken nearly 25 years to reach the £100 million mark. Indeed it is hard to think of such a high profile form of fundraising that has had such a slow development. There are huge opportunities for development, hundreds of thousands of companies could be encouraged to implement payroll giving schemes but the government needs to introduce incentive measures including tax incentives for companies to set up schemes, and employee transfer rights between companies.

Payroll giving could be a valuable tool in the fundraising kit. Not only can charities get a guaranteed, regular income allowing them to plan vital new projects but employees also get the satisfaction of making the tax man cough up free cash for charity at no extra cost to themselves.

To make giving successful it is important to note that people give to causes, not donation mechanisms.