

Press Release  
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## CAF regrets loss of 10% payroll giving supplement

CAF (Charities Aid Foundation) has expressed disappointment at the Chancellor's decision to end the 10% tax relief supplement on all company payroll giving donations. However, the announcement to extend cash incentives to small and medium-sized companies to take up the scheme, is cautiously welcomed.

Since the tax boost was launched in April 2000, payroll giving has seen enormous growth: in just four years the number of companies offering payroll giving has doubled, with over five million employees now able to donate to charity, tax-free from their pay.

According to Stephen Ainger, CAF's Chief Executive: "The 10% supplement has had a dramatic impact on employee giving over the last few years with donations growing from £37 million in 2000 to £86 million in 2003. What is particularly disappointing about the announcement is that the scheme's success has come at a relatively low cost to Government.

"The focus is now on finding alternative ways to encourage companies and employees to give. Charities, government and companies must work together to build on the growth in this enormously important source of income for charities. We look forward to liaising with the Treasury on the Government's proposal to provide cash incentives for small and medium-sized companies in providing payroll giving schemes.

"We have only just begun to explore the potential for payroll giving, and its role in encouraging support both for charities and the communities in which they operate."

Payroll giving enables employees to give direct from their salary before tax. For basic rate tax payers, pre-tax payroll donations cost the donor only £7.80 for every £10 given. In the 2000 Budget, the Government removed the £1,200 ceiling on annual tax free giving and pledged the 10% supplement on top of the pre-tax amount.

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