

# What is CAF Give As You Earn?

CAF Give As You Earn is the largest payroll giving scheme in the UK directing nearly £80 million to charity every year. You can set up donations from your pre-tax salary to any UK charitable organisation. This regular income stream enables your chosen charities to plan for their futures more effectively without the burden of unnecessary paperwork.

## A flexible tax-effective way to give money to charity

It's one of the most tax effective ways to give as donating from your pre-tax salary means that part of your donation comes from money that would have otherwise gone to HMRC.

## How does it work?

Donations made to charity through CAF Give As you Earn are taken from your pay after your National Insurance contributions are removed but before Income Tax is calculated and deducted. This means:

- Your tax is calculated on a lower amount; this could change your tax bracket and lower the amount of tax you pay
- You get tax relief on your donation immediately, at your highest rate of tax, and you can pass this benefit onto charity

## How is it calculated?

Making a £20 donation to charity would work as follows:

### As a 20% taxpayer

Total donated to charity	£20.00
You pay	£16.00
Reduction in tax	£ 4.00

### As a 40% taxpayer

Total donated to charity	£20.00
You pay	£12.00
Reduction in tax	£ 8.00