



Chartered
Institute of
Fundraising

HARNESSING THE SOCIAL IMPACT OF PAYROLL GIVING

A guide for businesses in Wales on how to adopt the
scheme and use it to make a positive difference



CONTENTS

Foreword from Jane Hutt, Cabinet Secretary for Social Justice	1
Introduction	2
About Payroll Giving	3
The business case for Payroll Giving	5
How to set up Payroll Giving	7
Using Payroll Giving to its full potential	9
Company case study: Transforming Giving: NatWest's Payroll Giving Scheme	11
Get started on your Payroll Giving journey	13
Conclusion	14

FOREWORD

Our history, and culture, is one of coming together, supporting those most in need.

Miners' institutes —such as those in Blackwood, Llanhilleth, and Cefn Fforest—were historically built and maintained through voluntary wage deductions by miners themselves.

While perhaps for some this is not philanthropy in the traditional sense of wealthy individuals donating, it represents a form of mutual aid and collective giving—a grassroots philanthropy rooted in working-class cohesion. Where the purpose was to uplift communities, foster learning, and provide recreational outlets. These institutes continue to play a vital role in the community, many becoming Warm hubs, somewhere to go for those feeling lonely or isolated.

We continue to see these same traits today as many Welsh people recognise the essential contribution to society charities make. In 2024, it was estimated that people living in Wales donated an impressive £645 million to charities through one-off and regular donations.

As a government we offer Payroll Giving to all employees and I would encourage all Welsh employers to adopt similar initiatives. By implementing Payroll Giving it allows us all to play a part in making a difference.



**Jane Hutt MS,
Cabinet Secretary for Social Justice
Trefnydd
Chief Whip**

INTRODUCTION

We want every Welsh business and their employees to take advantage of the benefits Payroll Giving has to offer.

Payroll Giving (also known as 'Give as You Earn') was introduced in 1987 to encourage and enable taxpayers to support good causes through their pay in exchange for tax incentives. Since then it has become a powerful way to raise money for registered charities, whilst rewarding businesses and their employees for their generosity.

There is huge potential to use Payroll Giving to strengthen Wales' charitable sector so everyone has the opportunities and resources they need to thrive. The country has a strong and diverse civil society, with 5,316 registered charities who are providing a wide range of essential services, from keeping families out of poverty to protecting and preserving beautiful green spaces.

Many Welsh people recognise these organisations' essential contribution to society. In 2024, it was estimated that people living in Wales donated an impressive £645 million to charities through one-off and regular donations. However, the rising cost-of-living is making it harder for people to give, making now the perfect opportunity to ensure every taxpayer has access to the tax relief Payroll Giving offers.

Alongside the clear benefits to taxpayers, charities and their beneficiaries, Payroll Giving can help any business - no matter their size or turnover - maximise their social impact. And doing in doing so, they can receive rewards and recognition for their efforts through the Payroll Giving Quality Mark.

However, despite existing for nearly 40 years, many businesses are unaware of the benefits Payroll Giving has to offer. To turn this around, we have come together as a collective of charities, Payroll Giving Agencies, Professional Fundraising Organisations and sector stakeholders to raise awareness of the scheme and help as many businesses in Wales adopt it, and use it reach their goals.

We understand that in today's busy world, it can be challenging to find the time to learn about a new initiative and understand how could be embedded into established processes and operations. We have therefore created this short guide that includes everything you need to know about Payroll Giving and how to use it to make a positive difference with examples and testimonials from businesses operating in Wales and their employees who are using Payroll Giving right now to reach their goals.

Whether you have never heard of Payroll Giving, or already have the scheme in place and are looking for new ways to harness its social impact, we hope this guide gives you the information and inspiration you are looking for.

ABOUT PAYROLL GIVING

Payroll Giving connects charities with tax-savvy donors.

Payroll Giving is designed to make giving simple and rewarding for all PAYE employees by allowing them to make one-off or regular donations to the charities of their choice.

Donations come straight out of an employees' gross pay, before income tax and after national insurance. As such, it is proven to lower the cost of giving - if a standard rate taxpayer donates £10 through Payroll Giving, it will only cost them £8. And the tax-relief increases for higher and additional rate taxpayers, as outlined in the table below.

Taxpayers' savings when they donate £10 through Payroll Giving*

Rate of Tax	Cost of donation	Charity Receives
Standard Rate	£8	£10
Higher Rate	£6	£10
Additional Rate	£5.50	£10

*Based on income tax rates for England and Wales. Scottish tax rates will differ.

What do employees think?

Having worked at a charity previously I understand that a small regular donation can make a massive difference. Even a small amount like £5 a month can make a huge difference. I choose to give through the 'Give as you earn' scheme which means I can make a difference with a regularly donation whilst at the same time making a small reduction to the amount of tax I pay each month. This way both my chosen charity and I can benefit.

Jared
Employee at the Admiral Group PLC

The scheme is designed to be simple for businesses and their employees to use.

To ensure donations reach their intended charity and reduce administration time for employers, Payroll Giving has a well-established infrastructure overseen by HMRC. Any business that wants to take part simply has to sign up to an approved Payroll Giving Agency (PGA), who will work with your Payroll Administrator or relevant point of contact to collect schedules of donors and their donations each time you run payroll. As such, it only takes one additional third-party transaction a month and can sit alongside other Payroll processes.

There are currently 22 HMRC-approved Payroll Giving Agencies, who each have their own approach to supporting clients. So be sure to research a range of organisations to find the one that best suits you.

Once the scheme is set up, Professional Fundraising Organisations (PFOs) can help run campaigns by promoting the scheme to employees. These are specialist agencies contracted by charities to fundraise on their behalf by going into businesses with promotional materials and speaking to employees directly about the benefits of Payroll Giving. Should an employee want to sign up, they can then select a charity from the agency's preferred list - or another one of their choosing - and the PFO will liaise with the PGA to manage follow up paperwork.

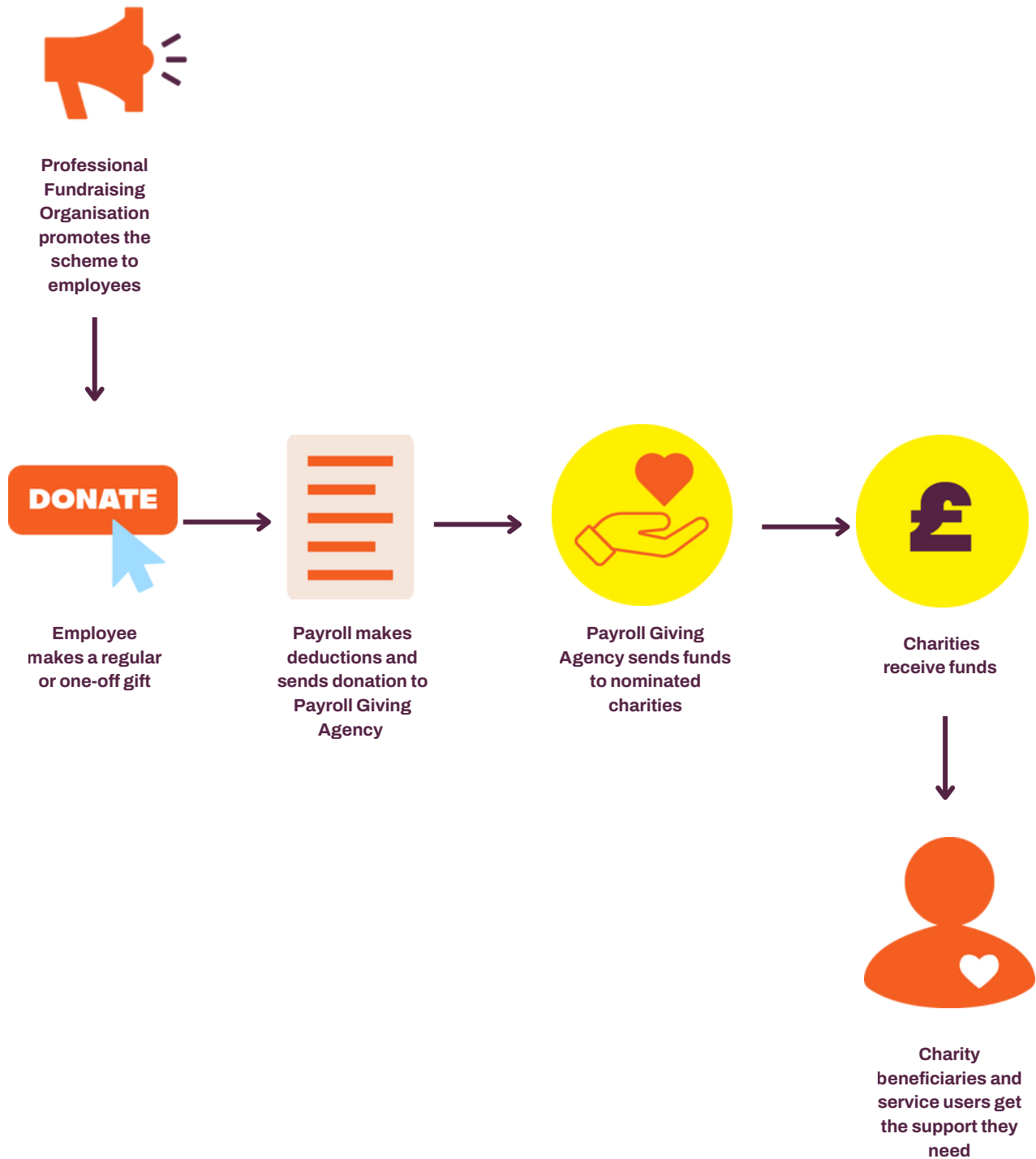
What do employees think?

"Setting up give as you earn was simple and took less than 5 minutes. There are a range of charities to choose from to support, and being able to give each month to Tommy's, a charity that is close to my heart, is such an easy way to donate regularly and makes me feel like I'm making a difference."

Danielle
Employee at the Admiral Group PLC

Snapshot of the Payroll Giving landscape

The infographic below shows how the scheme works in practice and how the organisations involved support it.



THE BUSINESS CASE FOR PAYROLL GIVING

Payroll Giving is an affordable way to enhance CSR programmes.

In an increasingly socially conscious world, having a purpose beyond profit is an essential part of any business strategy. A recent survey by NatWest found that 45% of businesses said CSR initiatives had a positive impact on their reputation, and 39% said they help to increase sales and customer loyalty. However, financial considerations and a lack of resources were the top two barriers to implementing such initiatives.

As Payroll Giving is free to adopt and there are a range of cost-effective options to cover processing fees, it is an excellent way to enhance CSR programmes without putting a strain on budgets. And once the scheme is in place, there are a range of ways businesses can use it strengthen CSR activities, from running campaigns in response to international emergencies, to achieving a Payroll Giving Quality Mark. You can read more about this in the section 'Using Payroll Giving to its full potential'.

What do businesses think?

“Morrisons colleagues give generously through payroll giving. Collectively, colleagues donate £28,000 each month to more than 230 charities, which even earned the Payroll Giving Platinum Award in 2024.”

Morrisons
National supermarket

Payroll Giving supports a positive company culture.

Payroll Giving can be instrumental in creating a positive company culture, which in turn can help attract top talent and retain valued employees. Offering employees a tax-effective way to give to causes they care about not only reinforces a business's values, but also underlines their commitment to giving employees access to the tax relief they are entitled to.

There is considerable appetite for Payroll Giving amongst employees right now. According to the Charities Aid Foundation's recent survey, more than one in four adults would likely donate through Payroll Giving in the future, if it was available to them. In fact, the scheme was particularly popular with younger people, with 33% of adults aged 25-34 and 27% of those aged 35-44 saying they would likely use it.

What do businesses think?

"We introduced Payroll Giving to support our corporate social responsibility (CSR) goals and foster a culture of giving within the company. It provides our employees with an easy, tax-efficient way to donate to causes they care about, while allowing us to contribute positively to the wider community.

Employees appreciate the convenience and tax-efficiency of the scheme. It fosters a sense of pride and fulfilment, knowing their contributions make a real difference. It's also strengthened our company culture, creating a more engaged and socially responsible workforce.

The scheme has provided charities with a reliable and consistent source of funding. Since its introduction, we've been able to raise a significant amount for various causes, helping to support vital services and projects. The regular donations help charities with long-term planning and sustainability. All donations are matched by Gousto up to £200 per month per employee."

Gousto
National meal kit retailer

HOW TO SET UP PAYROLL GIVING

We've put together a series of FAQs to get you started on your Payroll Giving journey:

How can my business sign up?

Signing up to the scheme is quick and easy to do. Simply select an HMRC approved PGA, who will provide guidance on how to send funds and prepare employee schedules, as well as ask you to fill out a short contract that asks for your:

- Registered company number
- PAYE reference number
- Payroll administrator contact information, or an alternative key contact

They will then confirm when the scheme is active and can provide advice on how to promote it to employees.

Are there any costs?

The scheme is free to adopt, however, agencies will charge a small administration fee to process donations, which will vary depending on which provider you choose. In order to make the scheme as accessible as possible, businesses have the option of paying these fees directly, or they can be deducted from employees' donations prior to being sent to the charity.

On top of this, you can fully or partially match employee donations to increase the total amount charities receive. You can find out more about this in the next section.

Will the scheme work with my existing Payroll processes?

Yes, the scheme can be embedded into every payroll system, whether it is managed in-house, or by a third-party agency in the UK or overseas. What's more, it only requires one additional third-party transaction every time you run payroll, making it easy to run alongside existing processes.

How do employees sign up?

Each agency will offer different sign-up methods, which could include:

- Logging into an online portal where employees can manage their donations
- Filling in a printed donation form which is sent to the agency by email or post
- Signing up through a Professional Fundraising Organisation

Can I see who my employees donate to?

No, by having a Payroll Giving Agency administer the scheme, all donations from employees are private.

What do businesses think?

As a company that has a deep ethos on giving back, introducing Payroll Giving was an easy decision to allow our employees at our stores in Cardiff, Newport and Cwmbran to support their favourite causes.

We have internally branded our scheme 'Jack Gives Back' based on the jack-in-the-box on our logo. And we have gone even further than this, all new donations will also get an additional £25 donation to encourage people to join.

The result of this enhancement and on-going face to face campaign is that 180 different charities have been supported by our employees. Since the beginning we have raised over £2 million to charities and over 600 staff donate each month. This means that nearly 40% of our employees are making a difference this way.

We have also benefited as an employer as we have won various awards for our scheme, including a Diamond Quality Mark.

The Entertainer
National toy retailer

USING PAYROLL GIVING TO ITS FULL POTENTIAL

Here are some top tips on how to use the scheme to reach your goals:

1. Offer match-funding

Matching donations is a powerful way to maximise the impact of a Payroll Giving programme. Currently, employers have the option of either fully or partially matching donations, and to include caps on how much is matched, all of which is administered by the PGA.

Not only does this raise more money for charities, it encourages greater take up and engagement amongst employees. In fact, a [recent study by the Charities Aid Foundation](#) found that 65% of employees aged 16-24 and 66% of those aged 25-34 would be more likely to donate if their employer matched their donation.

2. Get a Payroll Giving Quality Mark

The [Payroll Giving Quality Mark](#) is a government-supported accreditation which recognises and rewards organisations who offer and promoting Payroll Giving to their employees. Every business qualifies for the standards Quality Mark simply by adopting the scheme. They can then earn additional points to reach a Bronze, Silver, Gold, Platinum or Diamond award. Points are awarded based on employee participation, how administration charges are paid, whether match-funding is offered, and hosting events or running internal campaigns.

Companies who earn a Quality Mark will receive a certificate and logo to use on their website and company materials, which can then be shared with investors and customers.

3. Recognise and reward Payroll Givers

Recognising employees who use Payroll Giving, often called Payroll Givers, can reinforce a culture of generosity, which can increase overall take up of the scheme. There are several simple ways you can reward Payroll Givers, including:

- Acknowledgements - say thank you and include shout-outs to Payroll Givers in company newsletters, intranet, or bulletin boards
- Incentives - offer small perks such as an additional charity volunteering day, company merchandise, or a free coffee
- Raise awareness of causes they care about - ask long-standing Payroll Givers to share why they choose to donate to certain charities through a blog, email or presentation to their peers

4. Run Payroll Giving campaigns

There are a wide range of campaigns businesses can organise to promote Payroll Giving and encourage greater engagement with CSR and ESG activities. Some campaigns that have proven popular include:

- Donate your last hour of your pay - in December, employees are asked to donate the equivalent amount they earn for one hour to mark the end of the year;
- Milestone Challenge - set a company-wide Payroll Giving target with regular updates or a tracker to show progress made;
- Emergency appeals - ask employees to donate to emergency appeals in response to international or national disasters.

Campaigns could be organised by the HR department, the CSR department or employee committees. However, if businesses don't have the time to run their own internal campaigns, they can engage a PFO to promote the scheme to employees.

5. Encourage senior leaders to champion Payroll Giving

Having senior leaders such as the Chief Executive or members of the leadership team sign up to Payroll Giving sends a strong message to employees, investors and customers that they believe in the businesses' values and strengthens the credibility of CSR messaging. On top of this, they are best placed to benefit from the tax incentives Payroll Giving offers.

There are a range of ways senior leaders can support Payroll Giving, including:

- Make a regular donation to causes they care about
- Donate some or all of their annual bonus to a charity of their choice, or the organisation's charity partner
- Champion Payroll Giving campaigns, either by donating themselves or encouraging other employees to take part

TRANSFORMING GIVING: NATWEST'S PAYROLL GIVING SCHEME



Michael Duncan, Head of Giving Strategy & Programmes, NatWest Group shares how they made Payroll Giving part of their employee engagement strategy

NatWest Group, a prominent UK-based financial institution, serves over 19 million customers and operates across various sectors, including retail, commercial, and private banking. The heart of their strategy at NatWest is to be a vital and trusted partner to their customers, and this philosophy extends to their employees and communities. NatWest has long demonstrated a commitment to giving back through initiatives like its Payroll Giving programme, which was introduced in 1987. As one of the early adopters of the scheme, NatWest has remained dedicated to supporting charitable causes through Payroll Giving with Charities Trust, despite changes in the scale and structure of the organisation.

Payroll Giving at NatWest

Charities Trust's Payroll Giving scheme allows NatWest employees to donate regularly to their chosen charities directly from their salary, before tax. Over time, it has become an integral part of NatWest's wider employee engagement strategy, known as the Do Good Feel Good campaign which was introduced in 2017. This campaign allows employees to support the charities that mean the most to them. Payroll Giving is one of the schemes in this campaign that allows consistent and flexible charitable donations with the added benefit that donations are deducted before tax, meaning employees pay less overall.

Even though NatWest has reduced in size since the financial crisis—shrinking from 75,000 employees in 2014 to 60,000 in 2024—employee participation in Payroll Giving remains robust. The scheme has seen consistent growth in average donations, with the typical monthly contribution per employee reaching over £40 by 2024. Despite a reduction in the number of colleagues, the commitment to charitable giving has remained strong, with employees donating significant sums to support causes close to their hearts.

Encouraging Participation in the Scheme

To ensure the success of Payroll Giving, NatWest has employed a comprehensive communication strategy and several initiatives to encourage employee participation:

- Annual Boost Campaign: Every year, NatWest runs a “boost initiative” to encourage employees to either sign up for the first time or increase their regular donations. Between £100-£150 has been offered as a boost since 2015. These initiatives have consistently seen participation from around 1,500 employees annually.
- Communication Channels: NatWest actively promotes the Payroll Giving scheme through various internal channels, including:
 - Welcome emails to new employees.
 - Regular posts on Engage (NatWest’s internal social platform) to keep the scheme top-of-mind for all employees.
 - Targeted emails to existing payroll givers, informing them about special campaigns and boost offers.
 - Articles on the company’s intranet, highlighting the benefits of Payroll Giving through their ‘Do Good Feel Good’ campaign

Communications emphasised the ease of setting up Payroll Giving, the tax advantages of donating before salary deductions, and the fact that the bank covers all administrative costs, ensuring that 100% of donations go directly to the charities. Additionally, employees can manage their donations through their account, allowing them to make regular or one-off donations, or not spend their donations and save up for a specific fundraiser, or sponsor a charitable event.

Conclusion - NatWest’s Success

Since its inception in 1987, NatWest’s Payroll Giving scheme has raised significant funds for a variety of charitable causes:

- As of December 2024, there are 4,147 participants in the scheme.
- In total, employees have raised over £118 million for charities since the scheme’s launch in 1987.
- In 2024 alone, NatWest employees donated £2.1 million to 3,210 different charities.
- Regular, monthly donations have provided charities with a reliable source of income, enabling them to plan and budget effectively.

Employees have consistently expressed positive feedback about the scheme, citing the emotional satisfaction of giving back, the flexibility of adjusting donations, and the ease of managing the process. As one employee put it, “By paying it forward, you’re more likely to influence others. It feels good, you get that fuzzy feeling,” while another highlighted “I like the flexibility – I can increase or decrease my monthly giving depending on my personal circumstances.”

GET STARTED ON YOUR PAYROLL GIVING JOURNEY



You can have Payroll Giving set up in your organisation in as little as two weeks, just follow these simple steps:



1. Find a Payroll Giving Agency from the list of HMRC approved agencies



2. Register with your chosen agency using your PAYE Reference Number and Registered Company number



3. Decide how you want to pay administration fees



4. Make deductions every time you run Payroll



5. Promote the scheme to employees and integrate it into CSR and ESG activities

Conclusion

We hope this pack has inspired you to join the 4,000 business in the UK offering Payroll Giving right now.

With so many benefits for charities, employees and businesses, Payroll Giving is a truly unique way for everyone to make a positive difference. Whether you are an SME looking for simple but effective ways to increase your social impact, or a multi-national corporation searching for ways to boost engagement with existing CSR Programmes, adopting the scheme is an essential next step to reaching your goals.

And with an established infrastructure of charities and agencies experienced in Payroll Giving already in place, there are many organisations ready to share their advice on how you can make the most of everything the scheme has to offer.

Thank you to our partners and supporters

The information in this pack draws on the knowledge and experience of a range of organisations committed to growing Payroll Giving. We would like to thank the following organisations for their contribution to this pack, and their ongoing support for this unique source of charitable income:



Hands On
Payroll Giving



