

What is a benefit for Gift Aid purposes?

Your charity may want to thank a donor in some way, and this is a benefit. A benefit is anything that is given to the donor, or a person connected to the donor – called a ‘connected person’ – in return for a donation, for example, a ticket to an event, a copy of the charity’s magazine, a pen or a badge.

A benefit does not have to come directly from your charity. Benefits for Gift Aid purposes also include items provided to donors by third parties, for example, if a donation to your charity entitles the donor to a free meal when they visit a local restaurant, this is treated as a benefit.

What are the benefit rules?

As long as the benefit doesn’t exceed certain limits, the donation will qualify for Gift Aid. If the benefit exceeds these limits, the donation won’t qualify for Gift Aid. The current limits for benefits to a donor or ‘connected person’ are shown in the table below.

Benefit limits for donations

Amount of donation		Maximum value of benefits
£0 - £100		25% of the donation
£101 - £1,000		£25
£1,001 +	Made between 6 April 2007 and 5 April 2011	5% of the donation (up to a maximum of £500)
	Made on or after 6 April 2011	5% of the donation (up to a maximum of £2,500)

What benefits are treated as having no value for Gift Aid?

‘No value’ benefits include newsletters and magazines that describe the work of the charity, priority booking arrangements and small items of negligible value such as stickers, pins and badges.

If your charity doesn’t give anything back to donors or provides only small tokens of appreciation, it is unlikely that you will need to consider the benefit rules in detail.

Find out more about providing benefits in return for donations on the [HMRC website](#).

What is a ‘connected person’?

A person is connected with a donor if that person is:

- the donor’s wife, husband or civil partner
- a relative of the donor
- the wife, husband or civil partner of a relative
- a company under the control of the donor or any connected persons.

Relatives include brothers, sisters, sons, daughters, parents, grandparents, grandchildren, step-children, step-grandchildren, step-parents and step-grandparents, but not nephews, nieces, uncles, aunts or cousins.

