

# Payroll giving employer FAQs

## Is payroll giving compulsory?

No. As an employer you can choose whether to offer payroll giving in your workplace and, if it's offered, your employees can choose whether or not they participate.

## Can any employer offer payroll giving?

Yes. To offer payroll giving you need to file your *Employer monthly schedule* (EMS/IR 348) and *Employer deduction* form (EDF/IR 345) electronically, using Inland Revenue's ir-File service. The ir-File service is available to all employers.

To use ir-File, you must be registered for an online services account at [www.ird.govt.nz](http://www.ird.govt.nz). It's easy and you can be up and running that same day. To register you'll need your business IRD number.

To see how ir-File works, you can try our interactive online demonstration at [www.ird.govt.nz](http://www.ird.govt.nz) (keyword: ir-file).

## If I do offer payroll giving, what are my obligations as an employer?

Payroll giving is voluntary, so it's up to you to decide whether payroll giving is suitable for your workplace and if you want to offer it your employees.

As an employer, your role is to deduct the donation from your employee's pay and pass it on to the chosen donee organisation. You calculate the tax credit, reduce your employees PAYE and show this on their payslip.

Any tax credits for payroll giving donations need to be recorded on your Employer monthly schedule (EMS).

## As an employer, can I choose which donee organisations my workplace supports?

Yes. You decide how payroll giving will run in your workplace. For example, you might choose one or two donee organisations and offer these to your employees to support through payroll giving. Or, you may let individual employees choose any approved donee organisation to support.

For more examples of how *payroll giving* could work in your workplace check out the Payroll giving guide (IR617).

## Do I have to offer any donee organisation that my employee asks for?

You can offer any approved donee organisation, but it's up to you how many you offer. You may not be able to meet the requests of every employee and choose to limit the number of organisations your workplace supports.

It's always a good idea to discuss how payroll giving will run in your workplace with your employees, since they'll be using the scheme.

## Can my employees donate to anyone using payroll giving?

No. Donations through payroll giving can only be made to approved donee organisations. You can find a list of all approved donee organisations at [www.ird.govt.nz/donee-organisations](http://www.ird.govt.nz/donee-organisations).

## What do I do if my employee asks to change the donee organisation they support through payroll giving?

It is up to you as the employer how you set up your payroll giving scheme, this includes letting your employees know if they can change who they donate to.

If you are happy to make the requested change, then you can.

## How often can employees change donee organisation?

It is up to you as the employer how you set up your payroll giving scheme, this includes letting your employees know if, and how often, they can change who they donate to.

## We already have a program for payroll giving in our workplace. How will this change?

If the donations are to approved donee organisations, your employees will receive their tax credit at the time of making their donation, rather than collecting receipts and sending them to us with their *Tax credits claim form* (IR 526) at the end of the year.

As an employer you need to calculate the tax credits for their donation, record this in your pay records and on your EMS, and reduce the PAYE you send us by the amount of tax credits for payroll donations.

For more information on setting up payroll giving in your workplace visit [www.ird.govt.nz/payrollgiving](http://www.ird.govt.nz/payrollgiving)