

## **MARRIAGE ALLOWANCE INFORMATION SHEET**

### **How does Marriage Allowance Work?**

Marriage Allowance allows you to transfer £1260 of your Personal Tax Allowance to your husband, wife or civil partner.

This transfer reduces their tax by up to £252 in the tax year (6 April to 5 April the next year).

To benefit as a couple, you (as the lower earner) must normally have an income below your Personal Allowance. Your Personal Allowance is usually £12,570 per tax year.

When you transfer some of your Personal Allowance to your husband, wife or civil partner you might pay more tax yourself, but you could still pay less tax as a couple.

### **Who can apply?**

You can benefit from Marriage Allowance if all the following apply:

- You are married or in a civil partnership
- You do not pay Income Tax or your income is below your Personal Allowance (usually £12,570).
- Your partner pays Income Tax at the basic rate, which usually means their income is between £12,501 and £50,270 before they receive Marriage Allowance.

You cannot claim Marriage Allowance if you are living together but are not married or in a civil partnership.

It will not affect your application for Marriage Allowance if you or your partner:

- Are currently receiving a pension
- Live abroad – as long as you get a Personal Allowance

If you or your partner were born before 6 April 1935, you might benefit more as a couple by applying for Married Couple's Allowance instead. Note: You cannot receive Married Allowance and Married Couple's Allowance at the same time.

### **Backdating your claim**

You can backdate your claim to include any tax year since 5 April 2017 that you were eligible for Marriage Allowance.

Your partner's tax bill will be reduced depending on the Personal Allowance rate for the years you are backdating.

### **Stopping Marriage Allowance**

Your Personal Allowance will transfer automatically to your partner every year until you cancel Marriage Allowance – for example if your income changes or your relationship ends.

#### **After you cancel**

If you cancel because of a change in income, the allowance will run until the end of the tax year (5 April).

If your relationship has ended, the change maybe backdated to the start of the tax year (6 April).

This might mean that you or your partner underpays tax for the year.

#### **If your partner dies**

If your partners dies after you have transferred some of your Personal Allowance to them:

- Their estate will be treated as having the increased Personal Allowance
- Your Personal Allowance will go back to the normal amount

If your partner transferred some of their Personal Allowance to you before they died:

- Your Personal Allowance will remain at the higher level until the end of the tax year
- Their estate will be treated as having the smaller amount

#### **How to apply**

It is free to apply for Marriage Allowance. An online application form can be accessed at <https://www.gov.uk/apply-marriage-allowance>.

If both of you have no income other than your wages, then the person who earns the least should make the claim.

If either of you gets other income, such as dividends or savings, you may need to work out who should claim.

Changes to your Personal Allowances will be backdated to the start of the tax year (6 April) if your application is successful.

### **How your Personal Allowances change**

HM Revenue and Customs (HMRC) will give your partner the allowance you have transferred to them either:

- By changing their tax code – this can take up to 2 months
- When they send their Self Assessment tax return

If your new Personal Allowance is lower than your income after you have made a claim, you might have to pay some income tax. However, you might still benefit as a couple.

### **How your tax code will change**

You and your partner will get new tax codes that reflect the transferred allowance. Your tax code will end with:

- 'M' if you are receiving the allowance
- 'N' if you are transferring the allowance

Your tax code will also change if you are employed or get a pension.