

## **Marriage Tax Allowance – could you claim?**

According to HMRC, around three million couples across the UK have boosted their finances by claiming the Marriage Allowance, but more than a million married and civil partnered couples are still eligible for the free tax break worth up to £238 a year. Thanks to the start of the new tax year couples can backdate their claim and boost a potential tax refund to a possible £900.

The Marriage Tax Allowance was introduced in April 2015 and lets one half of a married couple, or couple in a civil partnership, transfer part of their tax-free allowance to their partner. To qualify, one partner must be earning less than £11,850 (i.e. non-taxpayer) and the other partner must be paying income tax at the 20% basic rate (i.e. earning between £11,851 and £46,350). However, it is not – at present – applicable to those who simply live together, even if they have children.

According to HMRC it takes less than five minutes to apply online. To do this, the non-taxpayer needs to apply by visiting [www.gov.uk/marriage-allowance](http://www.gov.uk/marriage-allowance). Alternatively you can call 0300 200 3300. The only documentation needed is the National Insurance numbers for both partners and ID for the non-taxpayer. The application will cover you for the current tax year, future tax years and backdated to April 2015. The Marriage Allowance will continue to be paid until you inform HMRC of any changes of circumstances or you cancel it.

It will usually be paid by adjusting the tax paying partner's tax code. The non-taxpaying partner will also get a new adjusted tax code for the year.

If one or both partners were born before 6 April 1935 they can claim the Married Couple's Allowance, please visit [www.gov.uk](http://www.gov.uk) for more information.

## **Living together but not married?**

In a landmark decision, the Supreme Court has ruled that discriminating on the basis of sexual orientation, or a decision to live together rather than marry, is a breach of human rights.

Presently, couples need to be in a formal civil partnership or married to be able to claim the raft of tax benefits available. These advantages include:

- Transfers of chargeable assets between civil partners and married couples free of capital gains tax and inheritance tax.

- In appropriate circumstances spare personal allowances can be transferred from one partner to the other.

In the case taken to the Supreme Court, a heterosexual couple who had decided not to marry considered that denial of rights given to same sex couples (via civil partnership arrangements), and married partners, was an infringement of their basic human rights, and the Supreme Court agreed.

Although the case does not directly impact changes to the tax system it will be interesting to see how the government responds to this ruling.

**Published in the Wigan Observer – 17<sup>th</sup> July 2018**